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FINANCIAL TIMES

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No. 26,750

Friday August 22 1975

**10p

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NEWS SUMMARY

GENERAL
Israeli protests greet Dr. K.

BUSINESS
Equities firmer, but Gilts drift

EQUITIES ended the Account on a firmer note. The FT 30-share index put on 3.5 to 304.5, a rise of 25.7 over the Account.

GILTS drifted lower, but lack of business kept falls to 7. The

Israeli police used teargas, batons and a water cannon in Jerusalem last night to break up crowds of Right-wing demonstrators after the arrival of Dr. Kissinger on a new round of shuttle diplomacy.

Armed guards ringed the airport when the U.S. Secretary of State arrived in Tel Aviv and was helicopterized to Jerusalem, where the worst anti-Kissinger protests ever led crowds on a sit-in on roads leading to Parliament. Earlier, small groups of Left-wingers had paraded in support of Kissinger's mission.

For his part, Dr. Kissinger acknowledged that Israel could extract only a "caveat" of withdrawal from a position of strength and promised full U.S. backing to this end.

The U.S. and some European countries could participate in a multi-billion dollar financing package for Egypt if the talks succeed. Back Page, Page 5

Ulster deaths

Two men were shot dead in Belfast yesterday amid indications that sectarian violence is on the increase. On the political scene, the centrist Alliance Party voted as supporters of the Loyalist UUUC and the Catholic SDLP, whose negotiations ran into difficulties on Wednesday. Page 7

Nude 'insult'

Free George Davis' campaigner Colin Dean was charged with insulting behaviour yesterday after a naked early morning protest in a London park. Campaign organiser Peter Chappell said dozens of offers of support had followed the Headingley Test pitch sabotage.

Coach risks

Injury risks to coach passengers are higher than they should be because of poor maintenance by most operators, particularly of brakes, leading brake manufacturers claim in this week's issue of Motor Transport. A total of 35 people have been killed in coach crashes in the past three months.

Rabies 'war'

The fight to keep rabies out of Britain is like "the dark days of war," a magistrate said yesterday when fining a Kent man £400 (or 90 days) for illegally landing a dog at Dover.

Charlton quits

Bobby Charlton resigned as manager of Third Division Preston yesterday after a row with the directors over the transfer to Newcastle of centre-half John Bird.

People and places

Four Calverton, Notts, youths were fined £200 each yesterday, plus compensation and costs, for attacking a group of visiting French teenagers asleep in a camp.

Four prisoners who had diligently practised long jumping, leap a four-yard roof top 22m to escape from an Augustow, Sicily, jail.

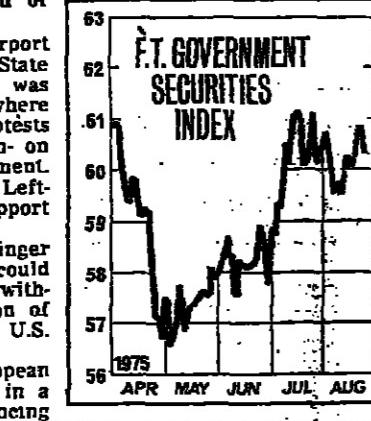
A Pakistani housewife was jailed for six weeks in London yesterday for shoplifting while she had £90 in her handbag.

Bible found in an attic by a Bonn schoolteacher 14 years ago has been confirmed as a 600-year-old Gutenberg worth £500,000.

Rescue vessels were last night heading for an area off Nantucket, where troubled transatlantic balloonist Bob and his flight crew chief were heading for splash-down.

The condition of 92-year-old ex-President Eamon de Valera, under treatment since catching a heavy cold, showed some signs of weakening last night, but was not serious.

Britain's Police Federation last night called for tougher laws to combat "frightening" increase in crime.



Government Securities index was 0.25 down at 60.35.

THE POUND fell 90 points to close at \$2.1120, with its depreciation at 27.8 per cent. (27.5). The dollar's was 2.59 per cent. (2.63).

GOLD closed 75¢ down at \$1624.

WALL STREET was 1.57 down at 791.69.

WORLD STEEL output fell to 31.7m tonnes in July against 40.3m tonnes last July. Britain's output dropped to 1.2m tonnes (1.8m). Page 6

U.S. prices up 1.2%

U.S. RETAIL prices rose by 1.2 per cent. in July, mainly due to increases in petrol and food costs. Back Page

CHASE MANHATTAN Bank is to offer Special Drawing Rights facilities from August 25. Back Page

WEST GERMAN trade surplus in July was DM4.5bn. last year. Page 6

ENGINEERING orders show slight signs of revival, according to Department of Industry figures. Page 7

BRITISH AIRPORTS AUTHORITY says landing charges are up 15 per cent. from November 1. Page 7

BACON prices fell £45 — for the first time in six months — on the London Provision Exchange. Some cuts could be 5p cheaper in the shops! Page 23

MINERS' ballot closes today and a majority of votes are expected to favour the Government's £6 a week limit on wage rises. Back Page

BSC's chief executive, Mr. Robert Scholey, says its programme to reduce manning levels is the most important factor in the corporation's fight for survival. Meanwhile, a Marks and Spencer supplier, Mansfield Hosiery, is to cut 240 jobs. Page 7

NFT shop stewards have rejected management proposals for 1,000 redundancies at Small Heath. Page 9

COMPANIES

LONDON BRICK pre-tax profit for the six months to June 30 was £5.087m (£1.367m). Profit upturn due to increased demand. Page 18 and Back Page

NORCROS is to raise £9.6m by a three-for-11 rights issue. Page 18

UNITED DOMINIONS TRUST, the UK's biggest independent instalment credit group and a major recipient of "lifeline" support funds, ended with a loss of £2.4m before tax in the year ended in June.

After setting aside £1.6m, special provisions at the half-way stage, the group has made no further provisions against possible losses on its property portfolio. But its profits have been hit by substantially increased provisions against its ordinary U.K. consumer credit business and other costs. It has also written off a total of £25m, against some of its assets, including cutting the value of its head office by a quarter, bringing the reduction in its reserves over the year as a whole to £58m.

Mr. Leonard Mather, recently appointed chairman, yesterday maintained that UDT had now completely "wiped the slate clean." He maintained that even after the past "salutary" year, the group had adequate capital to support its operations.

It looked forward to a return of confidence which would enable UDT to reduce its reliance on support from the clearing bank and Bank of England. Its book fund, which it has been reported, has been as much as some £450m. The group was making renewed

School leavers push workless to 1½m.

BY MICHAEL BLANDEN

UNEMPLOYMENT in the U.K. rose to a record post-war level of over 1.25m in August. This included an unprecedentedly high number of school leavers accounting for two-thirds of the increase.

Commenting on the figures, Mr. Michael Foot, Employment Secretary, said: "No one should be surprised in any way the tragedy and the waste involved in an unemployment total of this scale."

He reinforced the Prime Minister's emphasis in his television broadcast on the need to attack inflation and unemployment as part of the same problem and for everybody to observe the £6 pay rise limit.

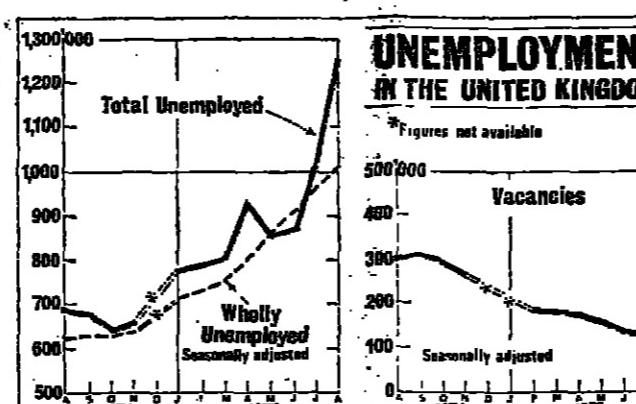
Trade union concern over the news is likely to strengthen the hands of those opposed to present Government policies at the annual TUC congress starting in ten days' time.

Slowdown

The TUC itself in a statement yesterday stressed particularly the need for action to provide jobs for young people.

Individual union leaders, including Mr. David Lassett of the General and Municipal Workers, were calling for Government intervention to increase the number of jobs available.

There are some signs in the figures of a slowdown in the very rapid recent rate of growth in



unemployment. The picture on the jobs side looks a little more optimistic with the first increase in the number of adult vacancies available on a seasonally-adjusted basis for about a year.

Nevertheless, the figures show a continuing steep climb in the level of unemployment even allowing for the special factors which have influenced recent levels.

Between mid-July and mid-August, the total number of people registered as unemployed in the U.K. increased by 162,464 to 1,250,334 (1,195,411 in Great Britain). The proportion of the labour force out of work rose by 0.7 per cent. a post-war record.

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adult students on the register, the number of wholly-

employed in the U.K. was up by 57,441 to 985,378, while the figure for Great Britain alone was an increase of 54,622 to 945,744.

The rise was bigger than would be expected on seasonal grounds, and after seasonal adjustment the U.K. total of wholly unemployed rose by 32,300 to 1,068,500.

The increase was noticeably less than the high rate of rise which had been seen in the preceding four months or so, and compared with a jump of 75,100 in the previous month.

The trend in unfilled vacancies has improved. The numbers notified to employment offices — mainly for adults — were down 6,521 to 138,452 in the U.K. on August 6. But after allowing for seasonal factors this represented a rise of 5,000 to 136,700.

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This plan, which Ministers have been anxious to keep secret, because of the impact it might have on the employment of school leavers before the special payments came into effect, is now being considered by both sides of industry.

Yesterday's unemployment figures showing 165,000 unemployed school leavers give the plan an extra urgency and might lead to pressure being put on Ministers to introduce the subsidies before the November 1 starting date that is at present planned.

Known as recruitment subsidies for school leavers, the financial plan was foreshadowed in the Government's anti-inflation White Paper which said Ministers would be looking at further help "for young people and will be consulting the TUC and CBI about special temporary measures to encourage their employment in industry."

Yesterday Mr. Michael Foot, Employment Secretary, promised when he commented on the unemployment figures that these temporary measures were being considered. The TUC, which knows of the Government's proposed plans but is not allowed to say so, has surprised all by calling on the Government to make a special effort to get school-leavers into jobs quickly.

The Government's plan would operate across the country and not just in the selected areas to which the new temporary employment subsidy is directed.

Young people emerging from the Government's training opportunities scheme, which was improved earlier this week, will be eligible for the subsidy whether or not they have registered as unemployed. There would also be specific provisions for apprentices in the construction industry.

The TUC said yesterday that two out of every three of the new unemployed in the past month were school-leavers and now it will soon be telling the Government its view on the new proposals which the Government estimates might cost £3.3m if 25,000 school-leavers were covered.

Jobs subsidy planned for young people

BY JOHN ELLIOTT, LABOUR EDITOR

It would cover young people aged under 19 who have not been employed for more than six weeks since leaving school and who are registered as unemployed on or after November 1. It would last till the end of the year although it could then be reactivated to help new school leavers, especially those in Scotland.

Employers taking on these school leavers would receive the £5 a week financial incentive from the Government for 26 weeks paid monthly in arrears. The Government would hope that employers would not use this money as a bonus for temporary employment and the employer would also have to certify that he had not dismissed an older employee to create the school leaver's vacancy.

This provision is intended to offset concern among union leaders that employers sometimes lay off older workers at times of high unemployment and then recruit other younger workers on lower pay rates.

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The Fund on Euro-myths

BY ANTHONY HARRIS

WHEN THE STAFF of a bank or a ministry produce factual background material bearing on a new policy of their masters, the result is usually described as a "supporting document"; but it looks as if some new term will have to be invented for the activities of the staff of the International Monetary Fund. The IMF staff have been investigating the Eurodollar market, no doubt in "support" of the various solemn statements by Ministers and central bank Governors on the need to control this engine of international credit creation. In a staff paper last month John Hewson and Eisuke Sakakibara (hereinafter referred to as ES) tried to estimate the credit multiplier of the euromarket, and came up with the answer: 1. In other words, Eurobanks lend on their deposits, but not more. No credit is created.

Received ideas

Now, in an article in the IMF's quarterly magazine Finance and Development, ES has taken the argument a stage further, and upset some more received ideas. Take, for example, the widespread notion that the Eurodollar market was created out of the U.S. balance of payments deficit. This has been received at very high levels of the IMF because of the great King Friedman's explanation of U.S. responsibility for the Euro-money supply for an hour or so, only to be founed completely—and perhaps for the only time on record—by a questioner who asked him to account for the growing supply of Euro-D-marks despite the German surplus. ES neatly fits the boot on to the other foot: the growth of the Euromarket was the cause of the U.S. deficit, in the curious sense in which the Americans measure their deficit (the so-called "liquidity basis"). Better rates and keener margins in London attracted dollars from New York.

So why was the Euromarket there in the first place? Simply, says ES, because of attempts by the authorities to impose costly regulations on foreign business in their own domestic credit markets.

The Eurodollar market, therefore, grew up on the back of the U.S. interest equalisation tax,

U.K. interest rates rise against trend in rest of Europe

BY MICHAEL BLANDEN

THE RENEWED rise in U.K. interest rates has gone completely against the trend in the rest of Europe. But the situation remains finely balanced, and the justification for lower rates could be further rises, say Williams and Glynn's Bank.

In its latest review of interest rates the bank argues that there now seems less reason than earlier to look for the short-term decline in U.S. rates that had been widely anticipated. Even if the upward drift there continues, however, "the depth of the current European recession is such that further declines in

cut short-term rates, as did the Netherlands and Denmark. Earlier the Swiss Bankers' Association had reduced their rate of discount for first class bills to bring it into line with money market conditions.

In the U.S., however, the banks' prime rates moved up by about 1 per cent, to a range of 7.75-7.8 per cent during the month as a result of the Federal Reserve's continuing restrictive monetary policy. But any upward pressure from this was not enough to outweigh official concern in the three European countries about their general economic situation.

SHORT TERM INTEREST RATES AS AT AUGUST 15 1975					
Country	Bank Rate %	Overdrafts %	Loans %	Commercial & Finance Paper %	
France	9.50 5.675	11.25 plus commission of 1/20% per month on highest debit balance in month. 10.80 minimum rate "Credit mobilisable"	9.50 min. for corp. borrowers	Commercial Bills 90 days 10.80 Finance 10.80	
Italy	7 5.675	14.75	—	Commercial Bills to 180 days 14.25	
Netherlands	5.50 15.875	8-8.50 minimum	—	—	
Switzerland	4.50 16.575	8.25-9.25 unsecured 7.75-8.75 secured	7.75	Commercial Bills to 90 days 6	
U.K.	11 (MLR) 25.775	12.25-16	12.25-16	Commercial Bills Bank 3 months 10.63-10.69 Trade up to 180 days 11.50	
Germany	4 15.875	9-10 Sometimes reduced for first class borrowers.	8.9 Sometimes reduced for first class borrowers	Commercial Bills 8-9	

RACING

BY DOMINIC WIGAN

Caesar's Flame to shine again

THERE WAS

no easier Goodwin Stake, it will be interesting to see how Persian Breeze fares in Round 14 of the Crown Stakes, if the favourite, Ballinck Stakes, is to be part of the German surplus would have caused inflation in Germany and deflation in the U.S. The regulations in each country were designed to prevent these effects. The growth of Euromarkets partly undermined these attempts—which is perhaps why so many central bankers are keen to interfere with them.

The conclusion ES draws is

just the opposite: the attempt to monitor and regulate the Euromarkets will inevitably cause the monetary authorities to come under pressure to adjust their domestic policies (money supply in the U.S., balance of payments in Germany, for example), which then try to prevent them having their natural consequences. Here it is not so easy to follow the analysis: it seems to be part of the institutional wishful thinking of the IMF to suppose that rubbing the noses of national authorities in technical facts—the mechanism of the Euromarkets or the rule of Domestic Credit Expansion—will make them more responsible internationally. Alas, it only helps a little.

Nevertheless, she did not return too badly after a slow start in the highly competitive Ridge-way Handicap at Newbury on Saturday, trained by Bill Wightman, who sent out import to win the Spillers Stewards Cup here last month, has failed to produce a two-and-a-half-length Redcar victory over Hotspur filly, trained by Joe Bally's Gift, from Nigel Murless' stable of Sussex course in the valuable Bentwick Stakes (300).

Persian Breeze, who was one

of the best two-year-olds in the North last season, winning 10 lengths between herself and the runner-up, Pure Magic, in the Morecambe Handicap (350). This consistent three-year-old, ridden by that talented apprentice, Richard Fox, has made the 450-mile trip south from the Ayr stable of Nigel Angus.

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Cinema

Public faces in private places

by NIGEL ANDREWS

Smile Edinburgh Film Festival
The Eiger Sanction (AA) Empire
Universal Pictures National Film Theatre

A "Young American Miss" Beauty Pageant is being rehearsed and staged in a small town in the United States. The contestants are a group of clean, ambitious, bright-eyed girls from different parts of America. The organisers are an expansive, toothy car salesman (Bruce Dern), and a well-groomed, forthright housewife (Barbara Feldon) whose special talent is for putting a good face on every crisis in her life—from the ups and downs of the pageant itself to the social embarrassment of her marriage to an alcoholic.

Spinning in and out of the orbit of the big event are a temperamental choreographer (Michael Kidd); a little boy—Dern's son—whose punishment for taking snapshots of the con-

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Page 8
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Page 6

testants through their dressing-room window is to be packed off to a psychiatrist; and a masonic brotherhood called the Exhausted Roosters, whose initiation ceremonies are held at night in the local park and who number Dern among their leading votaries.

Chosen as the opening film in this year's Edinburgh Film Festival, Michael Ritchie's *Smile* is the wittiest and most lethally deadpan picture of small-town life since Milos Forman's *The Fireman's Ball*. Like the Czech director's film—which Ritchie himself acknowledges a debt—it portrays the behind-scenes joys and agonies of an amateur talent contest. Like Forman's film also, it shows how the ideals celebrated in a big public jamboree are misread, or (possibly) parodied, in the behaviour of the community in which it takes place.

Ritchie, you may remember, made *Downdraft Racer* and *The Candidate*, two films that turned a beautifully sour, sidelong glance at the personal doubts and promotional hypocrisies that



Clint Eastwood in 'The Eiger Sanction'.

lie behind big competitive events (whether in sport or politics). *Smile* is very much the same mixture, the only difference being that it has its central character around which to pivot its story (as those two films had heroes played by Robert Redford) and is built more as a series of loosely connecting sketches. The strenuousness of the talent show (staged for real by Ritchie, who later uses what he wanted for his film) is cross-cut with vignettes of small-town life which illustrate the Americans' determination to preserve a bright, hygienic optimism in the face of every personal calamity or humiliation.

The film seesaws between tragedy and farce. Dern's co-director, having had a pot shot taken at her by her drunken husband, turns up for the Beauty Pageant in an impeccably-tailored sling. Dern's camera-happy son, victim of an America that hasn't heard of Freud, and probably doesn't wish to, is branded a perversely Peeping Tom and laid out for examination on the psychiatrist's couch. Most tellingly, the alcoholic husband, exalted by Dern into joining the Exhausted Roosters, has no sooner seen what the initiation ceremony involves—kissing the rear end of a chicken—than he exits screaming from the meeting-place home to find not tea and conjugal sympathy, but a wife who has just shampooed the carpet and tersely requests him to walk on the paper runner.

The only people to appreciate the values of this society are those who are already climbing the north face of the Eiger. To a sound cross-section of filmgoers from this year's major European festivals, Edinburgh is staging several interesting retrospective events. Martin Scorsese, Alain Robbe-Grillet and Shunji Terayama are the contemporary directors chosen for special tributes (each will be visiting Edinburgh); and there are also seasons devoted to Brecht and the Cinema, and to the work of veteran Hollywood director Jacques Tati. The festival lasts from August 24 to September 6, and looks to be well worth a trip north of the border.

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Letter from Tuscany

Barga and Batignano

by WILLIAM WEAVER

No music-lover spending the summer in Tuscany can complain of lack of music these days. Festivals are springing up, well, not like mushrooms (though there have been some for mushroom), but like some less capricious, hardy perennial. At Montepulciano, the tenor Mario Del Monaco, his son, and Hans Werner Henze—uniquely trio—are organising a new festival. Older ones are still going strong in Arezzo, Siena, Lucca, and every good-sized castle seems to be re-echoing with guitar recitals or chamber music.

In this wealth of musical opportunity, Opera Barga, which has just reached the age of ten, can be considered a veteran. Actually, though it calls itself a "Festival lirico internazionale," Barga is a summer school where, for less than £100, young singers, conductors, and instrumentalists can come and study for a month or so. Barga is a lovely, cool, isolated town, and it should be an ideal place for studying. The "festival" is, in reality, the school-leaving exercise, at which the best students are chosen to perform in the past, some of these students have been very good (the young baritone Simon Cowen, praised on this page last year for his impressive Michele in *Il tabarro*, has already gone on to the great world). But it is difficult—and perhaps unfair—to judge Barga's productions by the same standards one would apply to professional performances.

This year, Barga staged two operas (*Scarlatti's Il trionfo dell'onore* and Donizetti's *Don Pasquale*), which I was unable to attend. I did go, however, to a Satie-Ravel evening, a double homage, commemorating the 50th anniversary of Satie's death and the centenary of Ravel's birth.

The boys (there are no girls) seem to act better at the Cockpit than at the Shaw. Under Michael Crotty's direction they are confident and relaxed, and some of them show that special quality which I like so much in young players, a complete absence of any professional mannerism. I specially liked Tom Thompson (whom I remember here last year) as the boy who only boxes

chiosco" at Batignano, near Grosseto, has yet to spread the word if they had telephones, but so, the night I went there was a less than capacity crowd.

The cloister is the focus of a convent, long abandoned, which the British designer, Adam Pollock bought some time ago and is restoring. Naturally, what looked, on paper, like an interesting event, was more of a trial than a pleasure.

In the first place, the student musicians who accompanied the singers could not produce the stave, nuanced sounds the music demands. And, with one exception, the singers ranged from adequate to inadequate. The exception was the soprano Lucia Popp, who sang *Alceste* in *Socrate* and *Mademoiselle de Malfarmeré*.

She is a handsome girl, with a good, warm voice, and musical intelligence (she got carried away in the second song, arriving almost at an *undionabile verismo* violence); a singer to watch. Mada Teresa Rocchini, as Phèdre in the Satie, was miscast, but not unpleasant. But Marietta Dean, the Phèdre, perhaps because of nerves, could give little more than a wan idea of "la morte de Socrate," the crucial section of the work. Similarly, Marissa Brumby, in the Malfarmeré songs, was often inaccurate and overly aggressive.

Cette Barga, I might add, could do little to make the accompaniment of the Mallarmé sound interesting; she had better results with the Satie, where her inflexible beat was apposite for the willfully unemotional music.

I should add that, over its nine years, Barga has developed a sizeable and devoted audience, who warmly applauded the young artists.

The much younger (now it is two years old) "Musica nel

European Jazz Federation to meet in Nancy

The next general assembly of the European Jazz Federation will be held in Nancy, on October 16-19. The Nancy Jazz Pulse '75 will be the host of the event.

It will be the second general assembly since the EJF's constitutional conference in Venice in May 1969. On the agenda will be organisational matters, one being the change of the name

from

to

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to

the

European

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Details about the general assembly are obtainable from the EJF Secretariat, General, P.O. Box 671, A-1011 Vienna, Austria. Programme of the festival is available from Xavier Brocker, 2 rue Frederic Chopin, F-54000 Nancy, France.

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WORLD TRADE NEWS

Warning on British missions to N. Zealand

By Dai Hayward.

WELLINGTON, August 21. MANY BRITISH trade missions to New Zealand have wasted their time because they have concentrated on the wrong products. Mr. Arthur Day, director general of the British Institute of Export said here. He is visiting New Zealand to meet his opposite numbers in Auckland and Wellington.

Mr. Day gave a warning that future delegations must change their thinking towards New Zealand markets. "Some visiting British trade missions here have been wrongly composed," he declared. "No consumer product companies should take part in such missions as they will be wasting their time."

Consumer durable exporters should concentrate instead on joint ventures with New Zealand companies, he said. Mr. Day believes there is a big potential for such joint venture agreements.

Capital goods and raw material suppliers could also be effective in the New Zealand market. "New Zealand industrial companies which are constantly improving their share of world market are also interested in the export of industrial know-how," he commented. Mr. Day believed there was scope for more British activity in that field.

ASIA'S NEED FOR CHEMICAL FERTILISERS

UN forecasts self-sufficiency by 1985

By DICK WILSON

A GROUP of international experts meeting in Bangkok has predicted that Asia and the Pacific could become self-sufficient in chemical fertilisers within ten years. Mr. M. C. Verghese, head of the fertiliser section of the United Nations Industrial Development Organisation (UNIDO), claimed that "with regional co-operation in production and trade the Asian-Pacific region can become self-sufficient in nitrogen fertiliser in the next five to ten years."

A UN mission has recently toured 13 countries in the region to assess the opportunity for cooperative production of chemicals. Its report, completed at Bangkok will be considered at an inter-governmental meeting organised by the UN Economic and Social Commission for Asia and Pacific (ESCAP) to be held in Bangkok during September.

Mr. Prinay H. Siriswardene, deputy executive secretary of

Venezuela may be a major oil supplier to Japan

By CHARLES SMITH, FAR EAST EDITOR TOKYO, August 21.

VENEZUELA COULD emerge as a major oil supplier to Japan becomes a practical possibility. Venezuela as an important market for Japanese goods following the visit to Caracas this week is understood to be interested in investing in Japanese equities and possibly in other forms of financial co-operation with Japan. The republic has already deposited oil dollars with the London branches of Japanese banks following the example set by Arab oil exporting countries last summer.

Japan has been an insignificant importer from Venezuela up to now although last year exports to Venezuela more than doubled to \$368m. However, both countries appear interested in negotiating long-term agreement which could give Venezuela up to 10 per cent of the Japanese crude oil market.

The figure of 10 per cent, was mentioned as a possible target by Dr. Valentino Hernandez, the Venezuelan Oil Minister, on a recent visit to Tokyo. If that level of business was reached, Japan might be absorbing as much as one-fifth of Venezuela's oil exports.

Japan has been anxious to diversify its sources of oil away from the Middle East ever since the 1973 oil crisis but has so far made relatively slow progress in finding other suppliers. Venezuela's oil industry has up to now been largely in the hands of the international majors so that the Venezuelan Government has not been in a position to exercise control over the destination of oil exports.

From the end of 1975, however, the industry will be nationalised so that a large-scale long-term

Sweden cuts steel prices to counter order fall

By William Dallforce.

STOCKHOLM, August 21. THE SWEDISH steel works reduced commercial steel prices this week in an effort to reverse the rapid decline in new order bookings. List prices for universal steel plates were cut by Kr.25 (\$2.75) per tonne plus a temporary rebate of Kr.15 (\$1.65) per ton. Reinforcing bars are offered at a temporary rebate of Kr.150 (\$16.45) per ton, while the base price for beams has been lowered by Kr.80 (\$8.70) per ton.

The third major fall for steel prices adjustments are in fact no more than indicators, as steel industry sources report that works have already been aligned their prices heavily downwards in order to compete with the lower prices offered by European and Japanese mills.

There have so far been no changes to the list prices for special steels, but Swedish companies are very worried about the request by the British Independent Steel Producers Association to the EEC Commission for application of a ceiling on imports of Swedish special steels.

The latest available figures for May, showed a fall of 32 per cent in net steel orders, but the most recent survey, covering 17 companies, conducted in July by Veckans Affärer, the economic weekly, indicated that the Swedish steel industry has been weathering the world market recession better than most of its foreign competitors.

The Venezuelan government

THE UNITED STATES will today lift a ban that has prevented foreign subsidiaries of American companies from trading with Cuba, reliable sources said. It will also end a ruling that barred foreign freighters that have visited Cuba from refuelling in American ports, the sources added. A third change will enable the Government to provide food aid to countries that trade with Cuba.

The moves, which follow a decision by the Organisation of American States (OAS) to lift its sanctions against Cuba, were seen here as a major concilia-

tory gesture by the Ford Administration to the Government of contracts with Cuba.

Overseas subsidiaries of U.S. manufacturers will be permitted to sell to Cuba, sources said. But are prepared to begin a dialogue with Cuba and once that is in progress, what the possibilities are for foreign countries have long complained about the restraints imposed by the U.S. corporations operating within their borders.

In a significant gesture about the ban on export directed to Cuba, Dr. Castro earlier this month returned \$2m. taken from the hijackers of a Southern Airways airliner in Havana in 1972. U.S. has no business trying to ways to improve our relationships," the hijackers of a Southern Airways airliner in Havana in 1972. The measures, due to be regulated under the laws of those countries.

Army pressure on Peron increases

Buenos Aires, Aug. 21. INFLUENTIAL ARMY officers are pressuring Argentine President Maria Estela Peron to sack their commander and her Interior Minister, informed sources said to-day.

If she agrees to get rid of army commander General Alberto Lanza Laplane and Interior Minister Colonel Vicente Damasco, officers ready and willing to stage a coup d'état will move into a dominant position, the sources added.

Colonel Damasco, Foreign Minister Angel Robledo and navy commander Admiral Emilio Massera, visited President Peron yesterday in the Atlantic coast resort of Mar del Plata, where she is officially said to be resting to complete her recuperation from mental and physical exhaustion caused by overwork during six weeks of political and economic crisis.

Informants said that she was told that influential army officers controlling most of the force's firepower had demanded the resignation of General Numa Laplane and Colonel Damasco. She was said to be studying the matter and an official announcement was expected to-day.

Venezuela fund for West Indies

By Joseph Mann

CARACAS, August 21. VENEZUELA'S multi-billion dollar national investment fund will sign an agreement to-day with the Caribbean Development Bank setting up \$250m. trust fund for development projects in the West Indies.

The announcement was made yesterday by the President of the Venezuelan Investment Fund, Sen. Constantino Quero Morales. The Venezuelan investment fund will provide the development bank with \$25m. that may be used for industrial, agribusiness and export programmes.

This latest loan is part of Venezuela's policy of providing financial support for Caribbean and Central American nations in an effort to win friends in the region. The administration of President Carlos Andres Perez has already made heavy cash commitments to the Inter-American Development Bank, several Central American nations and the World Bank.

PINOCHET HAILS 'MARXIST DEFEAT'

SANTIAGO, August 21. CHILE'S MILITARY President General Augusto Pinochet, has said that his Government has dealt a "decisive blow" to Marxist terrorism.

The announcement was made yesterday by the President of the Chilean Military, Gen. Pinochet, who said that the Chilean people had won a "decisive victory" over Marxist terrorism.

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EUROPEAN NEWS

EAST-WEST GERMAN RELATIONS

Satisfying the Wanderlust

BY LESLIE COLITT, IN BERLIN

EAST AND WEST Germany are by saying: "Security comes learning to tolerate, if not like, first"—that is, before permits to each other as a result of their travel. This has been emphasized in a publication aimed at General Relations Treaty signed in December 1972. The same accord, which was designed to defuse the German problem, can be seen as a forerunner of this month's Helsinki Documents on security and co-operation in Europe.

The German Democratic Republic (GDR), as the smaller and instinctively defensive partner to the Treaty, has had to absorb the brunt of the ensuing changes. To its own pleasant surprise, the GDR has had few repercussions on its internal stability. After the building of the Berlin Wall in 1961 only a trickle of West Germans were permitted into the GDR. In the first half of this year alone, West Germans and West Berliners made well over 3m. trips to the East. Each week-end the GDR turns into an oversize all-German *kaffeeklatsch*, with Westerners providing the coffee and Easterners the cakes and whipped cream.

Travel by Easterners to the West—also foreseen by the Helsinki texts—has been more difficult in divided Germany. It is largely left to the same group of East German pensioners allowed to make the trip before the two countries signed their treaty. Some 15,000 other East Germans so far this year have been allowed on short trips to the West, under a section providing for such visits in the event of a death, birth, marriage or special wedding anniversary among their West German relatives. Husband and wife are seldom let out together, and great numbers of East Germans have been excluded altogether for security reasons.

Meanwhile, the invasion of the GDR by West Germans, and the simultaneous opening of the GDR's eastern and southern borders for visitors travel to Poland and Czechoslovakia, have only whetted the appetites of East Germans for travel to West Germany. This growing *wanderlust* is a headache that refuses to go away for the East German leadership. Until now it has been unwilling to put GDR patriotism to the test of liberalised travel to the West.

In an interview given after his return from Helsinki, Herr Erich Honecker, the GDR's Communist Party chief, put a damper on popular expectations.



Herr Honecker: putting a damper on popular expectations.

of Europe. The article in the Communist youth organisation newspaper notes that the GDR will not allow itself to be weakened in any way under the pretence of "humanitarianism".

Westerners who have frequent contact with East Germans maintain that if the GDR would guarantee all its citizens, and not only pensioners, an annual permit for Western travel, the initial percentage of those refusing to return home would soon fall to a minimal level. They cite the example of Hungary, which began permitting large-scale travel to the West in the late 1960s, and after an initial blood-letting now loses less than 0.5 per cent of its manpower from such trips.

On the other hand, it is argued that Hungarians are not Germans and that GDR citizens travelling in West Germany would not be casual tourists. East Germans, like West Ger-

mans, are constantly making comparisons, and on the material level, attempting to achieve what their counterparts already have. East Germans are curious about every facet of West German life, and work-oriented as they are, are likely to be interested in learning how West German offices and factories are run as in seeing the Bavarian Alps or the Rhine. This does not fit in with the official GDR policy of strict separation between the two Germans.

Although East Germans are intent on proving that socialism can work, particularly in the GDR, they often find it difficult to accept their leadership's abstract arguments. GDR officials, for example, point to an intensification of the East-West ideological struggle in answer to widespread East German call for a greater freedom of movement throughout Europe. Some East Germans, however, have come to a hopeful sign in the choice of Yugoslavia for this summer's holiday by East Germany's respected Prime Minister, Herr Horst Sindermann. As a holiday spot the Western Balkans would suit most East Germans.

Satisfying East German desires, not only for consumer goods, is of increasing concern to the ruling Socialist Unity Party. Pressures have arisen again before the beginning of negotiations in the face of the inflated price the GDR must now pay for oil and other raw materials from the Soviet Union and the West. One-third of this year's planned growth in national income will be sacrificed if savings are not achieved by greatly reduced output per man hour, combined with strict economies in the use of energy and other raw materials.

This is where the much maligned West German connection turns out to be a unique advantage for the GDR. Duty-free trade between the two Germans and an annual interest-free credit from West Germany of DM760m. mean the GDR can obtain badly needed capital goods from the West without dipping into its hard currency reserves.

Contrary to earlier predictions, inter-German trade is holding up remarkably well this year. Total trade turnover should amount to about DM72bn. compared with DM69bn. in 1974. Expanded East German imports of crude oil from West Germany, as well

as industrial equipment, account for the bulk of the increase.

Then there is West Berlin, the GDR is a lucrative source of D-Marks for that country. Currently the GDR collects a lump sum of DM300m. annually from Bonn in road transit fees for the autobahn to West Berlin. Now the GDR is calling for new fees amounting to three times this amount.

West Germany's Chancellor, Helmut Schmidt, and Herr Honecker reached basic agreement at their two meetings in Helsinki on the joint construction of a new autobahn from West Berlin to Hamburg, as well as modernisation of the existing highways and rail lines leading to West Berlin over GDR territory.

All these infrastructure improvements are to cost an estimated DM3bn., and the West Germans are expected to come up with a good share of the money.

The GDR was a slow starter in the field of industrial co-operation with the West, but it is now busy negotiating major deals with West German companies such as Krupp, Hoechst and Salzgitter. A West German engineering consultant has begun building Europe's largest integrated slaughterhouse and meat-packing plant in the GDR, which, when completed, is to supply the West Berlin market.

One indication of just how eager the GDR is to obtain Western currency is the lifting of its long-standing limitation on the amount of West German currency visitors can give to East German subjects. Inevitably the new situation results in black market rates of exchange, but the D-marks all end up in the expanding chain of Intershops, where East Germans can buy Western goods for the money.

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HOME NEWS

BSC must be 'jolted out of land of lotus-eating'

BY HAROLD BOLTER, INDUSTRIAL EDITOR

BRITISH STEEL chief executive, Mr. Robert Scholey, has told structures must be got into proper shape. I am determined corporation's 220,000 workers to jolt all parts of BSC out of that he is determined to jolt all the land of lotus-eating." parts of the corporation out of - Mr. Scholey described the current crisis facing British Steel "the land of lotus-eating."

The corporation (losing £5m. a week) is clearly concerned about the lack of response it is getting to its attempt to reduce manning levels voluntarily, although it will be early October before detailed figures are available from the divisions.

Mr. Scholey, addressing a meeting of top executives, maintained that the corporation's programme of manning cuts was the most important single factor in the BSC's fight for survival.

"Although attempts to revise manning standards will be a difficult, all our departmental managers must maximise their efforts to de-man their payrolls," he said.

Proper shape

"Manning in the service areas that are those parts of the corporation which are not directly engaged in production is, I believe, where our problems lie."

"When I look at some of the groups' manpower charts, there are jobs which are difficult to recognise. Our management

represented 70 per cent of the corporation's fixed costs.

Mr. Scholey produced at the meeting what he called the "frightening" chart previously shown to Mr. Eric Varley, Industry Secretary, showing that the high cost of BSC's labour force was the greatest single obstacle to a prosperous future for the corporation. It represented 70 per cent of the corporation's fixed costs.

Our Darlington Correspondent writes: The BSC yesterday launched a recruiting drive for workers for its new £500m complex at Redcar, Teesside. It wants more than 1,000 men for the coke ovens, raw materials and sinter plants which are due to be commissioned next year. More than £7m-worth of equipment will be installed.

Ezra urges 'all-out war' on coal costs

BY HAROLD BOLTER, INDUSTRIAL EDITOR

SIR DEREK EZRA, National Coal Board chairman, yesterday called for an all-out drive to Kent's production to this higher-priced market.

He made the call during a visit to the Kent coalfield, where he was overcome by heat while 3,000 feet underground at the Tilmanstone colliery, near Deal.

Although the pit doctor was called, Sir Derek recovered quickly and did not need medical help. Later he held a press conference before curtailing his afternoon engagements.

At the conference, he singled out the Kent mining industry as an example of too little production at too high a cost.

Average output a manshift in Kent is only half the national average and little more than one-third of our best area, North Derbyshire, he said.

Although Kent had improved its results last year this was almost entirely due to the achievement of Coal Board scientists in finding ways of days it could achieve the 5 per cent increase in productivity and of the NCB's marketing agreed with the unions.

Airport landing fees up 15%

By Lorne Barling

WHEN THREE fully-rigged training ships—the first of 80—sail of the Thames for a week of sailing and other events associated with the Pool of London with the sea.

Today, the curtain is raised on London's Festival of Sail, organi-

strations on square-rigged ships, dinghy races from Putney to the Tower and back. The Top of

the festival, probably the most

spectacular maritime event seen since the reign of Charles II, will enable of hundreds, and canoe racing

thousands of people to visit ships from Woolwich to the Tower that, while reflecting nostalgia, attracted a similar entry.

An increase in charges earlier this year was held as low as possible, the authority said, "but we have been forced to raise landing fees again because of the effects of inflation on costs." This increase was the first since 1970.

In an attempt to cut losses at Scottish airports, fees would be increased by 10 per cent, it was added. At the same time, efforts would be made to bring rates at the newly acquired Glasgow airport into line with other airports.

The overall increase was foreseen recently by Mr. Nigel Foulkes, the authority's chairman, when announcing a reduction of the BAA's pre-tax profit last year to £8.4m. compared to £11.8m. in 1973. This was due largely to a substantial drop in traffic at Heathrow and other airports.

Mr. Foulkes said then that landing charges would have to rise again this year, but that the magnitude could be reduced by increasing by 10 per cent the price of duty-free spirit sold at BAA airports. It is understood that landing fees would otherwise have had to go up by about 25 per cent on November 1.

Landing charges for the air-craft used at BAA airports are calculated on the basis of aircraft weight, number of passengers on board, type of route flown and time of landing.

In future, it will cost airlines using Boeing 747 aircraft under specified conditions £1,005.50 at Heathrow, £1,187 at Scottish airports and £1,011.71 at Frankfurt.

Profit up £4m. at Cable and Wireless

Financial Times Reporter

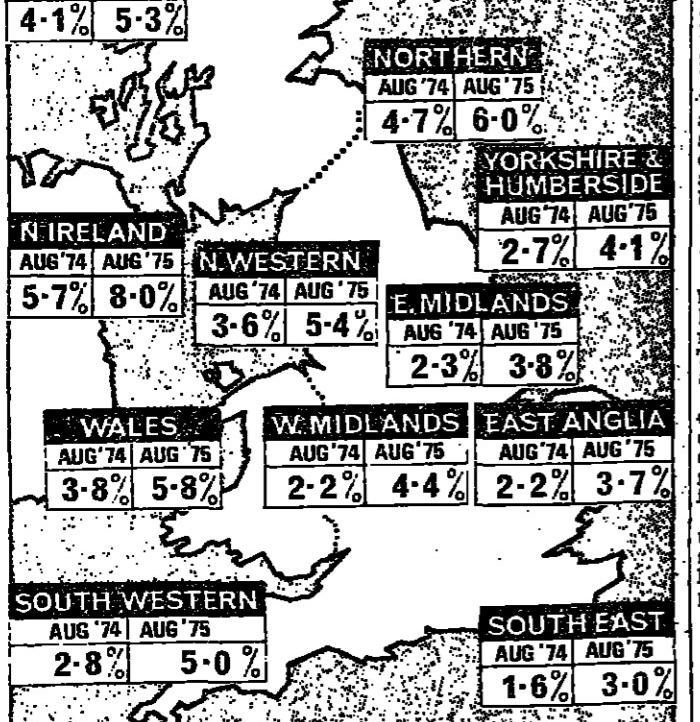
In 1974, the energy crisis had led to a reduction in traffic and landing-fee income, while costs rose by 25 per cent, he added. That side of the business made a loss of £4m.

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Heathrow, £1,187 at Scottish airports and £1,011.71 at Frankfurt.

Regional unemployment



Regional disparities in unemployment have been markedly reduced during the current recession. With the total at record post-war levels, traditional high unemployment areas such as Scotland and the North have continued to suffer higher rates than the rest of the country. But the rises in the lower unemployment areas such as the South East and the Midlands have been greater and the gap has narrowed.

Bristol Airport 'best for regional needs'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

DEVELOPMENT of a new airport on Severside to meet the next best option, closely follows the Civil Aviation Authority as part of its overall study into future U.K. regional airport needs.

The report suggests that by 1990 the region will be generating some 5m. international air travellers, but that because of proximity of both Heathrow and Birmingham airports, some 60 per cent of these passengers will likely to use those airports rather than airports in the region.

The conclusion emerges from a new study into airport development in South Wales and the South-West region of England, prepared by the Civil Aviation Authority as part of its overall study into future U.K. regional airport needs.

The report, by the CAA's economics and statistics division, makes no specific recommendations, but it does indicate that Bristol, operating alone, would be the best "single airport" solution to future air traffic needs in the area.

If capital to expand this airport were not forthcoming, how-

ever, the report says, it is an independent British company and not a subsidiary of the American Gallup Poll.

Social Surveys (Gallup Poll), mentioned in yesterday's story on attitudes to foreign goods, points out that it is an independent British company and not a subsidiary of the American Gallup

POLL.

Figures for U.K. paper and board production in the first six months of this year, published in the Financial Times yesterday, incorrectly stated that total production (excluding building board) during the period was 24 per cent higher than the first six months of 1974. Production was in fact 24 per cent below that of 1974.

PAPER AND BOARD PRODUCTION

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Lady Chichester presents the "Chichester Log" to Mr. Alan Hare, managing director of the Financial Times. The leather-bound volume is a facsimile of the log kept by Sir Francis Chichester on his single-handed voyage round the world in Gipsy Moth IV. It is offered as a prize for the yacht keeping the best log during the Financial Times Clipper Race.

Thames festival will recapture the splendour of sail

BY ALEC BEILBY

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In an attempt to cut losses at Scottish airports, fees would be increased by 10 per cent, it was added. At the same time, efforts would be made to bring rates at the newly acquired Glasgow airport into line with other airports.

The overall increase was foreseen recently by Mr. Nigel Foulkes, the authority's chairman, when announcing a reduction of the BAA's pre-tax profit last year to £8.4m. compared to £11.8m. in 1973. This was due largely to a substantial drop in traffic at Heathrow and other airports.

Mr. Foulkes said then that landing charges would have to rise again this year, but that the magnitude could be reduced by increasing by 10 per cent the price of duty-free spirit sold at BAA airports. It is understood that landing fees would otherwise have had to go up by about 25 per cent on November 1.

Another Marks and Spencer supplier lays off workers

FINANCIAL TIMES REPORTER

FOR THE second time in a week, a major Marks and Spencer supplier is laying off staff because of failing demand.

Mansfield Hosiery Mills, part of the Nottingham Manufacturing Company, has laid off one third of its workforce at its Sheepshed factory for an indefinite period.

About 240 workers are involved at the factory which produces fully-fashioned knitwear and garments.

Mansfield Hosiery, which last year lost production as a result of a ten-week strike among its Asian workers over equal job opportunities, has already laid off another 50 knitters and rimmers at its Loughborough plant.

Since Marks and Spencer announced it was cutting its stock holding by about 10 per cent, a number of its suppliers have had to lay off workers. Last week,

to retain jobs at the Morley division of Meridian, at Heanor, Leicestershire, where 370 operatives are threatened with redundancy.

Unemployment in the Leicester area is already running at 5.8 per cent and yesterday the City Council said it was setting up a special study to organise an early warning system to forecast national trends dangerous for redundant workers.

The study, which will cost about £7,000, is being set up in association with Loughborough University and Leicester Polytechnic.

The early warning system would result from research at the university where national industrial trends and their possible consequences for local industry would be assessed.

© The National Union of Hosiery and Knitwear Workers emergency committee, formed to fight

the threshold for capital investment projects requiring Ministerial approval should be raised to £2m. at 1975 prices for the British Rail Board and to £1m. for the Scottish Transport Group (STG).

The Treasury should examine

Engineering orders begin to revive

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE LONG and very steep fall in our sector has fallen by half." Nothing has happened in industry might have levelled off recent weeks to change the view at last. This possibility is tentatively held out to-day by at least the bottom of the trough Department of Industry with publication of the latest engineering until well into the second half sales and orders statistics.

But this is only a very faint glimmer of light to cast on the very slim indeed.

The Department of Industry bases its tentative optimism on the fact that the trend of total net new orders increased during the three months to the end of peak they reached during the May 35 per cent. This reflected chiefly a greater inflow of home new orders in the previous months but trend estimates of export new orders also slightly increased by 1 per cent, suggesting that overseas orders might now be steady after a decline of 30 per cent from their 1972 peak.

Between February and May total orders-on-hand fell back by a further 5.5 per cent, reflecting the continuing low levels of home new orders in relation to those of sales. Over the same period, home orders-on-hand fell by 6 per cent, while export order books lengthened by 4.5 per cent.

This is in line with the feeling of the Engineering Employers' Federation that, apart from a reasonably optimistic outcome for exports, prospects for the industry could not continue at such a sharp rate. The order intake

Action urged on BR Channel shipping

BY JAMES MCDONALD, SHIPPING CORRESPONDENT

URGENT ACTION is required to test discount if British Rail's shipping division is to remain viable on the cross-Channel routes, a report published by the Commons select committee on nationalised industries said yesterday.

"Everything that can be done to modernise and expand its fleet to meet opportunities for growth and profitability" states the report, which is the result of an investigation begun in November, 1973.

Later the same day, Princess Alexandra will review the collection of oil ships already moored in the St. Katherine's yacht haven, which will be able to see the yachts that will be competing in the Financial Times clipper race from the Thames to Sydney and back. They will be in the yacht haven for the whole week prior to their race day.

To-morrow week, they will sail in procession with other vessels down river, providing a spectacle that will last almost two hours from any point on the route from the Tower to the sea.

The report recommends that if British Rail is required by the Government for social or other reasons, to operate an unprofitable shipping service which it wants to close, the costs should be separated and charged to the Department of the Environment.

"Legislation should be introduced to allow British Rail shipping services freedom of operation within the short-sea routes," the report also recommends.

Threshold

In this context, the British Railways Board does not have the power, nor is the Minister able to consent to operations between ports where former railway companies have not previously operated.

Because of this statutory limitation, it was impossible when the container throughput at Peterhead was recently further reduced by technical problems with the Goliath cranes, for Sealink (BR's shipping service) to move across the water and operate from Fife to Fife.

The report recommends that the threshold for capital investment projects requiring Ministerial approval should be raised to £2m. at 1975 prices for the British Rail Board and to £1m. for the Scottish Transport Group (STG).

The Treasury should examine

This Announcement Appears As A Matter Of Record Only.

للإعلام فقط

£12,000,000
Six Year Loan

Government Of Democratic Republic Of Sudan

حكومة جمهورية السودان الديمقراطية

BOOKS

So are they all, all honourable men

BY C. P. SNOW

The Impact of Hitler by Maurice Cowling. Cambridge University Press, £15.00. 961 pages

intellectual paranoia before. He recommended me to read the revelations of one Nesta H. Webster. That would be a good start.

I didn't argue the case. I was in a state of mild stupefaction. I have felt a somewhat similar stupefaction reading Mr. Cowling's *The Impact of Hitler*. It is, I ought to say at once, far from easy to read, even to those of us who would expect to be interested in the subject. Mr. Cowling hasn't so entertained and witty a mind as that of my old chess-playing friend. Or perhaps he deliberately set out to eliminate all devices and structures, either in the architecture of his book, or in his language. He may have been aiming to create a climate of detachment or neutrality. It takes some time, as one plods on, to realise that he is about as detached and neutral as Nesta H. Webster.

I must make it clear, however, that his is not a work of conspiracy-theory, at least in any ordinarily admissible sense. He is dealing almost exclusively with British politics, and very largely British parliamentary politics, from 1933-1939. There is little about what Stalin at Potsdam called the estimation of forces. There is very little indeed about the military balance-sheet, except for some misjudgments—such as some

away from their own egotisms, and aren't fit for the places they hold; that was not only specifically true in Britain between 1933 and 1939, but would be true of any similar society and wouldn't be altered if they were replaced by any alternative set of men.

Well, such an impression, though not particularly exhilarating, may be more salutary than excessive veneration of human wisdom. The sheer difficulty of political affairs in a highly articulated world is something that ought to be recognised; men just aren't good enough or clever enough to make much of a shot at it. But it certainly isn't that impression, which contains a certain sombre sense, which Mr. Cowling wishes to convey.

He has searched among a wide range of material, published sources, conversations, unpublished papers, including Neville Chamberlain's. Much of this will be valuable to future scholars, who will interpret it quite differently. It is, of course, of particular interest to anyone who has come to the mass of people concerned, and can catch the tone of voice. It would be delectable to hear Hankey's ghostly comment on being told that Churchill was the only strategist in the War Cabinet of 1939. Hankey had spent the best part of his life thinking about strategy and, though he wasn't always right for generations, he was much righter than anyone else in Westminster and Whitehall.

If the documents were left to speak for themselves, one might merge with a general impression that men, all men in positions of influence and power, aren't very wise, are remarkably shortsighted, can never for long get qualities, but objectively they Third Republic, period 1935-45.

were very bad things—such as

that irresponsible opportunist

Churchill, or Anthony Eden

(mysterious described as an ideologist) or all kinds of lay-

about who formed groups round

those two ambitious young self-

seekers like Harold Macmillan,

unspeakeable figures of the

Labour Party, dangerous revolutionaries such as A. E. Rowse

and Roy Harrod. Gradually the

consensus corroded

Parliamentary opinion and so destroyed

the enlightened policies of

Conservatism,

Baldwin, a very good thing (with

which except in the aspects

chosen by Mr. Cowling, many of

us would agree), Neville Chamberlain, a moderately good thing, Halifax, good at least in his appeasement period.

History can be written in any

conceivable way, so long as one

doesn't take it too seriously. This

idiosyncratic version of Con-

servatism is perhaps better left

to Conservative theoreticians to

come to terms with

Certainly

it has nothing to do with High

Toryism. Cecil and Cavendish,

their intel-

ligent

and

bleeding feet, strained back and sweating flesh, this picture is

extraordinarily detailed and

realistic.

There are also some fascinat-

ing

grotesques, such as the pro-

fessional strong-man, terrified of

women, who once glimpsed his

mountains

imparts charac-

ter

to each.

It is the difference

between

a glimpse

and a stare.

Mr. Thubron's stamina

is

kept vigil outside her home for

four nights without seeing her

again;

and a demented Brother-

stricken.

An accomplished lit-

erary

and historian, his passionate

concern for antiquity in all its

aspects—mythological, architec-

tural, conceptual—lends weight

to his astonished visitor:

"I've

committed

horrors

shaken the heavens. God is the

ocean of sweetness. But I go back

in from the Turkish motherland"

sometimes makes for strained

round Kokkina, a village on the

syrian

and laborious

reading,

but this labour is amply

rewarded.

When I was a youth of 18 or so, I used occasionally to walk home with a middle-aged acquaintance. We had met at a local chess club, and I enjoyed his company. He was a bachelor, totally unambitious, holding down a modest clerical job. He was a good talker in a gentle, agreeably witty fashion. He had read a lot, and at that time I was eager for bookish conversation.

One of his favourite topics, I soon discovered, was the French Revolution. He knew the history almost week by week, and I learned dates and names which I have remembered after all these years. But he also knew why the Revolution had happened. Still gentle, lucid, quiet and humorous, he told me so, with the certainty of someone who is in possession of a truth not granted to many. It was the work of a secret society. A secret society which had set out to destroy civilisation. Which had gone on to greater things. Which was, of course, responsible for the Russian Revolution. Which was still at work, more powerful than ever.

I don't think I had met anything like this quiet, happy,

one

more

bookish

conversationalist.

敏感 and scholarly, Mr.

Thubron's greatest gift is none

the less his skill in sketching

with a few strokes the good and

generous folk who befriended

him. Predictably, many of these

portraits have a political frame-

work, yet the purity of the sitter

leaves the frame tarnished and

tasteless. Meletios, an elderly

olive-farmer from the Mersinli

district, humbly offered

the

traveller a night's shelter. Next

morning a neighbour revealed

that Meletios, although innocent

had been interned by the

British for three years.

"But he knew that I was

British!"

"Yes. But you didn't do it, did

you?" He picked up his hoe

again. "The times make us

mad." He waved me on my

way.

"Go to the good!"

There are also some fascinat-

ing

grotesques, such as the pro-

fessional

strong-man,

terrified of

women,

who once

glimpsed his

Soul-Mate in a German town and

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to his

astonished

visitor:

"I've

committed

horors

shaken

the

heavens."

On the other hand,

there

is

something

disappointing,

not

so

much

scandalous

detail:

While some recent Arab

property purchases in the West

have been well-publicised, it is

not so well appreciated that the

enterprising U.S.-owned Keyes

Royal

Realty

Inc.

plus

LABOUR NEWS

• NEWS ANALYSIS - INCREMENTAL PAYMENTS

Ladder through a loophole

BY CHRISTIAN TYLER, LABOUR STAFF

THERE IS one corner of the of loop-hole hunters. The general view is that it is the spirit of the Government's anti-inflation policy that is generating almost as much heat as the £8 wage limit itself: the exemption of incremental rises.

Increments, or wage-for-age foot, Employment Secretary, has scales, are paid to thousands of white-collar workers, especially in the public services, as well as to some manual workers.

In previous incomes policies, established annual increments have been let through without much debate despite regular objections from the CBI. But this time, thanks largely to the CBI's renewed opposition to their exemption, followed by public service unions' fight for them within the TUC general council, the issue has been plucked from obscurity and special attention has been paid to it—most recently in the digest of the Ministry of Employment News this week as part of the Government's propaganda campaign on the policy.

Grey areas

There are, of course, other grey areas to the White Paper—not even the Civil Service draftsmen could boil down to a one-line instruction a policy attempting to cover all types and methods of payment, visible and invisible.

These grey areas include such things as merit rises, promotion, job security, pensions, commission payments, fringe benefits and London weighting.

All have to be fitted to the £8 limit and the £8.50-a-week cut-off. The Government is deliberately leaving those areas grey for fear

increase in the cost. The extra cost should then be divided by an adult number of employees affected and their £8 maximum rate reduced accordingly.

Theoretically, then, the Civil Service Department and other big public service employers, will have to calculate in advance whether they are facing a set addition to their wage bill this year. Such a calculation would be enormously difficult if it were to be strictly performed.

For the purposes of the policy, therefore, public service employees are likely simply to take projected recruitment and retirement figures to see whether they balance. In the Civil Service and local authorities the balance is expected to be sufficiently close: in education less so because of the large numbers of young teachers who form a bulge near the bottom of the incremental ladder. Even here it is unlikely that the Government will swoop down and tell teachers that some of their increment must be offset against the 26 limit.

In the private sector—notably banks and insurance and some of the bigger companies—similar accounts will have to be kept and produced when the employer goes to the Price Commission to justify a price rise. The banks, for instance, do not expect much problem. Generally speaking, the bigger the organisation, the less likelihood of an awkward over-run in the incremental pay-roll.

Incremental payments are to be allowed, then, despite the opposition of many manual unions who do not accept the self-balancing and actually increases—has to calculate the total

increments, which is refusing to make any statement on the plan. The company, which is refusing to make any statement on the plan, has blamed the need for a cash flow redundancy on a cash flow crisis brought about by a slump in its motor cycle sales in America. The Government's refusal to give the company any more cash aid has made the job cuts inevitable, says the management.

In yesterday's talks, the com-

pany did not apparently make any detailed reference to the situation at its Wolverhampton plant, now in the hands of the Official Receiver, despite earlier statements that the 1,800 workers there lifted a blockade on the transfer of machinery to the rest of the run-down at Small Heath might be reduced.

A spokesman for the Small Heath shop stewards said yesterday that they would not accept the 1,000 proposed redundancies—but would continue negotiations "to see what is the best deal we can get."

Left at the plant would be mainly sub-contract work which is the situation at its Birmingham factory, yesterday rejected management proposals for a virtual 75 per cent. cut in the labour force through 1,000 redundancies.

The NVT plan, set out in a confidential document, has shocked the Small Heath stewards because it means that motor-cycle production, presently running at about 100 machines a week, would be brought to a standstill.

The document makes it clear that if the 1,000 redundancies go ahead most of the 400 workers

left at the plant would be mainly engaged in the light engineering sub-contract work which is the situation at its Wolverhampton plant, now in the hands of the Official Receiver, despite earlier statements that the 1,800 workers there lifted a blockade on the transfer of machinery to the rest of the run-down at Small Heath might be reduced.

A package agreement concluded by the Union of Shop Distributive and Allied Workers provides for 5% weekly increases for managers and all adult retail staff payable from November 10—exactly one year after their previous annual deal.

The agreement means a new guaranteed minimum earnings level of £2,185 (£42 a week) for adult sales assistants and equal pay for women by the end of the year.

Several USDAW agreements concluded before the Government's pay policy was unveiled have since been dropped. The most important of these concerned 150,000 staff employed in multiple garment factories who were to have received increases of between £3.45 and £4.20 a week for shop assistants and up to £6 for managers. These were shelved after the Department of Employment ruled they would have to be withheld for three months to comply with the 12-month ruling embodied in the Government's policy.

Now USDAW is expected to press for 6% rises all round from the November annual settlement—a move which if successful could prove more inflationary than the agreement that was abandoned.

Next week, a meeting of shop stewards from all plants meet to give their collective view of the proposals which if accepted in principle by September 1 will mean 250 lump sum payments for all 27,000 Chrysler workers.

Under a offer made when the scheme was outlined in May, a further £50 is on offer if the scheme is finalised by the end of the year.

Meanwhile the 1,200 men laid off from the company's Luton and Dunstable plants by a pay strike involving 46 strikers have been recalled at least until next Wednesday.

They will be employed on annual stocktaking which has been brought forward because of the production halt caused by the dispute.

• Triumph has laid off 2,200 car workers from its Liverpool factories, following the decision of stoker truck drivers to continue their strike in support of the production halt caused by the dispute.

Other items in the package of proposals include the introduction of national pay negotiations, refusing to obey a supervisor.

Redundancy plan rejected by NVT shop stewards

BY JOHN WYLES, LABOUR REPORTER

SHOP STEWARDS at Norton Villiers Triumph's Small Heath factory, yesterday rejected management proposals for a virtual 75 per cent. cut in the labour force through 1,000 redundancies.

The NVT plan, set out in a confidential document, has shocked the Small Heath stewards because it means that motor-cycle production, presently running at about 100 machines a week, would be brought to a standstill.

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NGA secretary expected to retire early

By Our Labour Reporter

MR. JOHN BONFIELD is expected to retire next year as general secretary of the National Graphical Association after a career spanning nearly 30 years as a full-time trade union official.

He is understood to have told the NGA's national council a fortnight ago that he intends an early retirement next year, when he will be 61. Mr. Bonfield refused to comment yesterday but it is believed that he will leave his job shortly after the union's biennial conference next June.

Mr. Bonfield became general secretary of the Typographical Association in 1957 and general secretary of the NGA in 1965 after a print union merger. He said several years ago that he wants to retire early and since then has had several bouts of illness.

Electon of a successor may be held late this year or early next year and providing that he decides to stand, Mr. Joe Wade, According to a management spokesman yesterday, Nalsop the NGA's assistant general secretary, is likely to be the hie now agreed to lift its new policy on the use of "blacklisting," which has lasted

Union ends 'blacklisting' at Birmingham Post

BY OUR LABOUR REPORTER

MANAGEMENT AT the Birmingham Post and Evening Mail claimed yesterday that a major obstacle to the continued publication of the two newspapers had been removed following a decision by local print union officials to lift a "blacklisting" campaign.

Members of the National Society of Operative Printers, Graphical and Media Personnel employed by the two newspapers have been "blacklisted" all specially delivered newspaper in support of the 250 Birmingham journalists involved in a six-week dispute which is still deadlocked.

The employers have been forced to make special arrangements for newspaper deliveries because Birmingham area lorry drivers belonging to the Transport and General Workers' Union refused to drive across the quarters. They acted on their own initiative when they saw what the people considered to be a breach of contract.

After the meeting an NUJ spokesman said the Chief Constable had made it quite clear that plainclothes officers involved in the incident were merely passing by on their way from the adjoining police headquaters. They acted on their own initiative when they saw what the people considered to be a breach of contract.

"I am reasonably optimistic that they will not prevent a final settlement being made," he said. Members of the other unions have already agreed to accept similar terms.

Observer peace hopes raised

THE LAST obstacle to a solution to the redundancy dispute at the Observer seemed to have been overcome last night. Members of the 120-strong chapel (officer union branch) of the National Graphical Association voted in principle to accept a peace formula hammered out with the newspaper's management.

Mr. Joseph Wade, NGA assistant general secretary, said that it was accepted subject to certain matters of detail being agreed.

"I am reasonably optimistic

that they will not prevent a final settlement being made," he said.

Members of the other unions have already agreed to accept similar terms.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

METALWORKING

Automatic screw cutting

CLAIMED TO be a new concept, the Threadmatic is said to be suitable for attachment to most centre lathes for automatic screw cutting, while ease of changing to a different pitch and length, make it economic for small batch production. Speed of operation is also said to make it competitive with purpose-designed machines for medium and long batch runs.

The half nuts are disengaged, the cutting tool is retracted, the indexing mechanism by which the depth of cut of each pass is determined is indexed one position, and the saddle is returned to the start. This procedure will continue until the indexing mechanism reaches its end-of-cycle position. The number of passes required, to a maximum of 22, is set on the index handle.

By the same token, changes in pitch and length can be made during the cycle, provided that the half nuts are only engaged when they are in correct alignment with the leadscrew.

As the half nuts are engaged, the cutting tool is fed forward under air pressure to its cutting position. The saddle travels along the bed of the lathe until the required length of thread has been cut.

The half nuts are disengaged, the cutting tool is retracted, the indexing mechanism by which the depth of cut of each pass is determined is indexed one position, and the saddle is returned to the start. This procedure will continue until the indexing mechanism reaches its end-of-cycle position. The number of passes required, to a maximum of 22, is set on the index handle.

Main function of the 28 feet diameter buoy is to provide a platform for advanced oceanographic and meteorological sensor

NAVIGATION

Data from a buoy

THE NATIONAL Data Buoy DB1 built by the Seatek consortium of Hawker Siddeley Dynamics, EMI Electronics, R. H. Green and Silsby Weir is being commissioned today at Lowestoft and is to be stationed in the North Sea later this year.

The parameters monitored include wind speed and direction, atmospheric pressure, humidity, air temperature, rainfall and visibility.

development. It will provide data for a variety of purposes which include improving the safety of ships and oil-shore platforms, weather forecasting, storm surge warning and pollution control. The information from the sensors will be transmitted automatically via a telemetry link to a shore station at the Fisheries Research Laboratory, Lowestoft.

The terminal wires which project from each of the bus bars at intervals along the length of the strip.

These terminals are arranged to be at the same height as the connector pins with which each pair of bus bars is associated, the connectors being arranged in ladder fashion down the pair of strips, fixed to lug provided.

Since the terminal pins are precisely located with their ends in the same plane as the board connector pins automated wire-wrap wiring systems can be used.

The bus bars suppress noise spikes and crosstalk, and eliminate power reflections between source and load. The low conductor resistance allows high currents to be distributed with very small voltage drops.

More information about the system, which has been named Eurobus, from Mektron N.V., 188 Afrikaalaan, Ghent, Belgium.

This enables screen printing to be carried out on 1 gallon or 5-litre square cans, boxes, containers and covers in wood, plastic or metal. Height adjustment is by two lock screw adjusters—the screen remains parallel to the bed.

Known as the Handiprint, the machine's floating bed has a 10 mm adjustment all round allowing an x-y movement. The bed's working area is 570 x 555 mm, with a perforated vacuum bed area of 425 x 455 mm.

Horizontally adjustable side arms of the screen frame holder will take any width screen up to 520 mm and there are five screw positions each side giving depth adjustment for screens up to 520 mm deep. Claimed to cost considerably less than comparable models, the machine is priced at £175 plus VAT.

are electric furnaces that can be turned on and off each day instead of having to operate constantly as blast furnaces do. The electric furnace uses small amounts of coal and natural gas.

The process can run waste materials such as fly dust, mill scale, blast furnace sludge and the fine red dust produced by basic oxygen furnaces. The wastes are blended with finely ground coal, are moistened and then pelletised, using equipment and technology already in use.

While the pellets are still red hot, they are mixed with limestone as a flux and charged continuously into electric furnaces and then melted.

Full details of the system may be obtained from Mr. L. T. Butt, RAPRA Shawbury, Shropshire SY4 4NR (09394 333).

Company spokesmen describe the process as using a submerged molten iron and slag.

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The Property Market

BY JOHN TRAFFORD

The big institutions just keep on buying

INSTITUTIONAL investment interest in well let offices—and to a lesser extent in shops and industrial premises—in the south of the country continues unabated but with virtually all the deals concentrated in the £100,000 to £800,000 range. In the past fortnight (the Financial Times was not published last Friday) no less than 13 substantial deals have been revealed. The most interesting has been Sieve Estate's success in selling its 12,000 square foot freehold office block at 84, Mortlake Road, Richmond, Surrey, to an unnamed pension fund for over £750,000—an initial yield of 7 per cent. With the two other sales made since the abortive Sieve portfolio auction in June, sales now total nearly £1.2m. Knight Frank and Rutley and Alsops, joint agents for Sieve, describe the Mortlake deal as "evidence that the siege has lifted further" but with £20m. of property in the portfolio it is too early to say that the relief party is in sight.

The other investment deals have been as follows:

Surrey: 7,400 square foot Kingstan House, Portsmouth Road, to Bausch and Lomb at £14,000

London, N.W.10: J. S. Bloor has sold its new 46,000 square foot warehouse/16,000 square foot office block development in Old Oak Lane to Carlsberg Distributors for about £1m. This is one of the few owner-occupied deals recently reported and probably equates to a yield of 1.15 per cent. above the yield acceptable to an institution.

Southampton: Oakhill Developments (Property) have sold their office and showroom development at Shirley, Southampton, to a pension fund for £335,000. The deal was agreed back in 1973 and provides no pointer on yields.

Aylesbury: The freehold of shop premises at Station Square has been bought from MacFisherries by the Bradford and Bingley Building Society for £140,000.

Leeds: A 16,000-square-foot 1902 offices building in Park Row, the city's main financial centre, has been bought by Commercial Development Projects of Elland for about £500,000. The developers intend to spend a modest sum on refurbishment and, with rents as high as £4,110,000, a yield below 7 per cent. is a real possibility.

London: A Georgian office building, 5,000 square foot, London House, a Cornhill office building, has been bought by a pension fund for £160,000 from Leigh Developments. The office is let in the supposedly fashionable south-east.

British Land's reassessment

SOME City commentators thought that British Land had not been sufficiently ruthless in cutting the value of its property portfolio from £285m. (the figure in the books based on an April, 1974, valuation) to £235m. which was the directors' assessment of current values at the end of the company's last financial year (March 31, 1975).

A closer look at the figures suggests, however, that the company has cut back values very drastically indeed. Of the £285m. total some £30m. is development in progress which it is reasonable to continue to value at cost. A further £20m. is overseas properties which, with currency fluctuations and a now higher proportion of completions and lettings have probably gone up but at least have not fallen. These two items are removed and it appears that British Land has cut £53m. from the rest of its portfolio, valued at £178m. in April last year.

This represents a reduction of almost 30 per cent. in the estimated value of UK completed properties and development sites. It is known that the development sites' value, £10m. at the time of the official valuation, has been cut to the bone but even so the cut in the estimated value of completed properties has been well above 25 per cent.

There is a further point here which makes this reduction even greater than it seems. Ninety-one per cent. of British Land's portfolio is freehold or long leasehold, much of it with highly reversionary content. Most of the major reversions mature within three years. Thus, if the property market had held steady for the past 12 months the British Land valuation should have risen by a substantial margin because the reversion dates were a year nearer.

at North Wallington near Fareham in Hampshire. The permission follows negotiations with both Hampshire County and the local authority. The reversion date is 1980, a year earlier than the original date. As the reversions become due one must expect the group's rental income, at present a little above £20m. a year to rise quite perceptibly.

The main talking point on

British Land reversions is

Work will start next year on the

square feet plus lower ground

65,000 square feet North Block,

storage space of 11,300 square feet and a basement area of 9,700 square feet and a basement area of 9,700 square feet included. There are accounts for the relatively high rents. News of the letting

Fareham Borough Councils is in fact just under £80,000 of the North Block is now

which Mackenzie Hill agreed to square feet of normal office space

leave 11 acres of open space accommodation in the 103,700 Jones Lang Wootton is acting

square feet of space that was let as letting agents for the

developers.

The one fact that has now

emerged with some clarity is

that Chemical Bank finally

agreed to pay only about three-quarters of the asking rent of £150m. a year, which works out at around £1.15m. or £10.60 a square foot overall. If one takes

out the shops and allows, say,

4,500 a square foot for the base-

ment area the office rents work

out at around £1.13 a square foot.

Now it is the reader's turn to

decide who struck a good deal.

Letting agents for the deve-

lopers are Matthews and Good-

man, Sinclair Goldsmith repre-

sented by Healey and Baker, while Higgins Harron

represented International

General Electric.

• International General Electric Company of New York has paid a premium of about £500,000 for a lease expiring on December 25, 1982, for the 16,000 square foot office called Park Lane in Park Road, Regents Park, London, NW8. The lease requires an annual rental of £22,500. The vendors, Carreras Rothman, were represented by Healey and Baker, while Higgins Harron

represented International

General Electric.

• Philippine National Bank has acquired an additional 4,000 square feet of office space at 103, Cannon Street from the City of London Property Company for a rental of under £9 a square foot. The premises are now being modernised. Smith McRae represented City of London Real and Higgins Harron represented the Philippines National Bank.

• Equity and Law Life Assurance, through its agents Stanley Alder and Price of Bristol, has now fully let its 29,000 square foot office development at 23, Baldwin Street, Bristol, to four clients. Rentals range from £3 to £4 a square foot. The ground floor has been let to an American Banking Group; the majority of the building to a major oil company, and the remainder to a merchant bank and a firm of chartered loss adjusters.

• Marleford has asked us to point out that they are not a subsidiary of Fortress Trust, as was reported in this column on August 1, page 10.

OUT AND ABOUT

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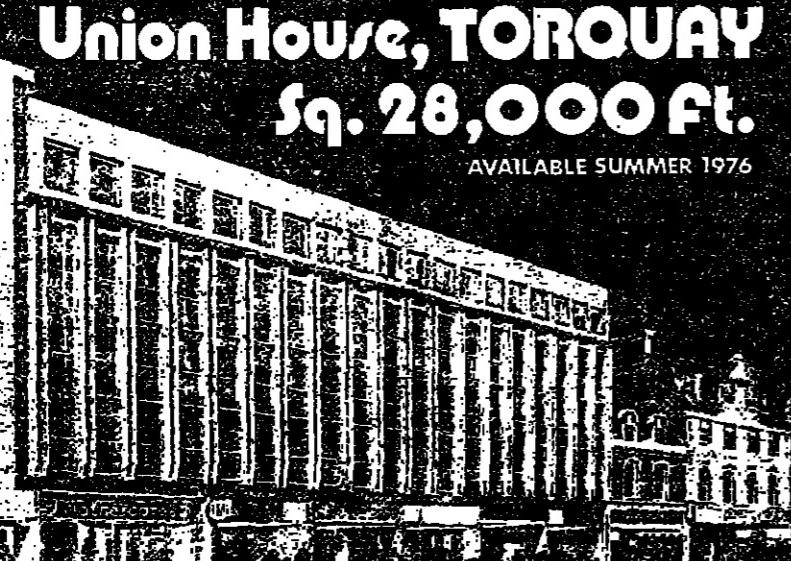
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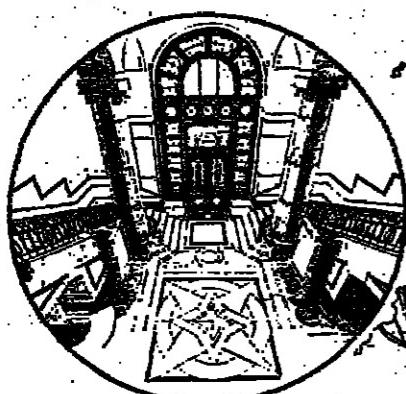
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in
september

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1975

* (trade capital of Northern Greece—remember?)

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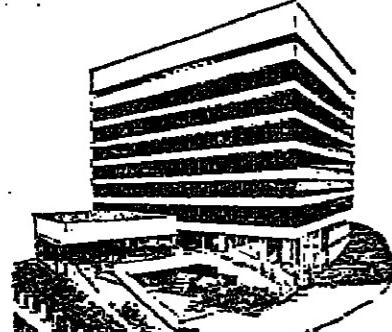
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DEPT. 100,

Turn of the tide in the East Shetlands

THE MOST important, as well as the most encouraging, development of the past month on-shore project has now started moving into the camps at Ardine Point, actual production from Cormorant and from the Brent C platform, is unlikely to start until the spring of 1978, and even this is dependent on the platforms being able to find deep-water berths for the final phase of construction.

The moves are more than just a mark of considerable success for the Norwegian Condeep design for concrete gravity structures and the construction abilities of the Norwegian Constructors group at Stavanger.

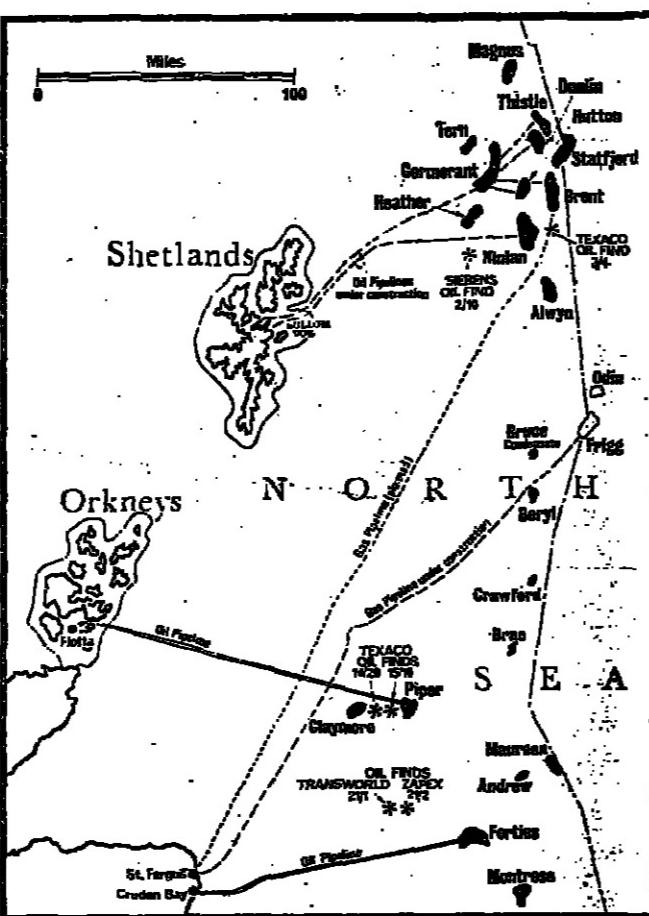
They are also the first physical signs of progress on the immense and crucial development of oil in the East Shetlands area. It is on this area from which some two-thirds of total U.K. offshore oil output is expected to come that the fortunes of U.K. North Sea oil production largely hinge; and it is in this area where many of the most troubling problems have arisen—the delays in U.K. platform construction, the long-drawn-out negotiations between the oil companies and the Shetlands Council, and the doubts and uncertainties over whether the pipeline and on-shore facilities can be completed even within the revised schedules.

Agreement

No-one could say that the development is finally "in the bag." But the last few months have undoubtedly seen a renewed confidence that events are moving ahead and that good weather and an improvement in the political climate should enable the fields to start delivering oil through the Brent pipeline to Sullom Voe, by the target date of mid-1977, or at least by the end of that year.

Laying of the main Brent system 36-inch line from the gathering site at the Cormorant Field to Sullom Voe has proceeded with remarkable speed, thanks partly to the good weather, and the line is now some 60 per cent complete with the strong possibility that it could be almost all completed by the end of the year.

On-shore, the signing of the Sullom Voe Association agreement earlier this year, and more recently, the agreement on the Ports and Harbour dues and expenditure have gone a long way to overcoming the most difficult obstacles to an agreement between the Shetlands Islanders and the



Confidence has also been expressed by some of the other operators, most notably Burnham Development (ex-Signal) on the Thistle Field that their production schedule—in this case March 1977—can be met.

There is still a long way to go, of course. The whole East Shetlands development is still crucially dependent on two points—the placement of the central gathering platform at Cormorant and the completion of at least preliminary facilities on-shore at Sullom Voe; and both these points remain highly vulnerable to further delay.

Deadline

Construction of the Cormorant platform, which will act both as a pipeline gathering platform and as a producing platform in its own right, has already been seriously delayed at McAlpine Sea Tank's site at Ardine Point. Placement is not scheduled until 1977 and it is a moot point whether the installation can take place in time to gather the lines from the various surrounding fields—Brent, Dunlin and Thistle—in time for the mid-1977 deadline.

At the same time, the first production through the Brent line, even if completed on time, has been diminished by the delays on other field platforms. Because of the amount of installation work which will be

needed to complete the Ninian line, there remain a number of unanswered questions about both the rate of development from the Ninian Field and the source of oil from additional fields to fill the 1m barrel-a-day line. Although

A Statfjord deal would certainly solve most of BP's problems about filling the line, but the whole question of the destination of Statfjord oil and gas:

is still a long way off.

Some hopes have been

expressed that the Unocal

again both, problems of final group, which withdrew from assembly in a deep-water site participation earlier in the year, Scotland as well as reported will now rejoin under revised terms and preliminary talks are

also reported to have been

started between BP and Mobil/

Statoil over the possible use of

the line for transporting oil

from the giant Statfjord Field

in the Norwegian sector of the

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rate of around 5,000,000 barrels

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FRIDAY, AUGUST 22, 1975

It could have been worse

THE TOTAL number of people recession—but it would not have been surprising if yesterday's figures had been worse.

There are two other, apparently hopeful features of the August figures, apart from the fact that the incidence of unemployment now seems to be roared ahead unchecked for months on end, and which itself aggravated the situation by declaring that it would never countenance the use of high unemployment as an economic weapon, cannot shuffle off the whole blame for this state of affairs on to the world recession. But nor, is there much point in seeking to deny that this is a very high figure which involves much serious hardship.

The main reason for seeking to adjust the raw figures, as most commentators have done for years past, is not to play down the hardship caused by unemployment but to turn the unemployment figures (which are precise and prompt by the standard of official statistics) into a more useful economic indicator. One can only guess at the number of unemployed who would be poor job prospects under most normal conditions: the over-sixties are by no means all in receipt of a pension, and some of those who have at present been unemployed for less than four weeks will remain unemployed for considerably longer. But Northern Ireland is a special case: allowance can be made for purely seasonal fluctuations; and it clearly makes sense to eliminate school-leavers and adult students from the figures, as well as those who are only temporarily laid off from work, when one is seeking to establish the long-term trend of unemployment.

Adjusted figure

This is a valid procedure, even when the number of school-leavers registering as unemployed for the first time is (as on this occasion) unusually large and presents an unusually serious social problem of its own. The adjusted figure shows a very much smaller rise in the number of those wholly without work than in the previous month, and the rolling three-monthly average also shows that the rate of increase has fallen. It is far too early to tell with assurance whether or not the upswing is levelling out—there is, in any case, a good deal of concealed unemployment among those who are not eligible for benefit and simply drop out of pushing up the level of unemployment.

Talks about talks on the Zambesi

THE MEETING between Rhodesia's Prime Minister, Mr. Ian Smith, and the Rhodesian African Nationalists, which is due to open on Monday morning in a South African train high above the Zambesi river, is the most dramatic development since the Southern African detente exercise was launched late last year. It is, of course, welcome as anything must be which offers the faintest possibility of an end to the ten-year stalemate in Rhodesia.

To try again

The two sides, as at the end of last year, have been coerced into Monday's talks by South Africa and by the Black African States led by Zambia. Clearly all these States, deeply disappointed by the events of the past few months, are prepared to try again to prevent the current stalemate in Rhodesia leading to full-scale guerrilla war. Yet urgent though a settlement is in Rhodesia, there is little optimism that this new effort can succeed where others have failed.

Next Monday's talks were set up in Pretoria after discussions between the South African Prime Minister, Mr. Vorster, and Mr. Smith. The agreement of Zambia's President, Dr. Kaunda, was sought and obtained, as presumably was that of the Nationalists. Yet while Mr. Smith continues to insist that the Zambesi bridge talks will do no more than mark the agreement of the two sides to negotiate in detail, inside Rhodesia, at a later date, the Nationalists maintain that this is the constitutional conference proper. They refuse to agree to detailed negotiations within Rhodesia, partly because two of

A flurry of diplomatic activity begins soon, centering on the price of oil. Adrian Hamilton reports

Oil: producers and consumers settle for interdependence

HIIS autumn will see a series of high-sounding international meetings on economic issues. Ministers of the EEC, the Commonwealth and such institutions as the IMF, the United Nations and the Organisation of Petroleum Exporting Countries (OPEC) are all due to hold conferences to find solutions for the world's current economic woes, and to seek consumption levels will return to new world order stabilising economic relations between the developed and developing world.

The meetings will range over a wide number of issues, philosophical as well as practical, from commodities and finance to the continued membership of Israel and South Africa in the United Nations. But at the back of all of it will loom the central question of oil and the future course of oil prices, with Italy, individual producing countries with particularly high traditional price premia for freight or quality advantages having been forced to reduce their prices and extend credit terms in order to hold their position. There have been spot cargoes at reduced prices emerging in the Gulf through "a cousin of the cousin of the ruler's nephew." But the fundamental base price on which all others are set—the posted and marketed price of Saudi Arabian oil—has remained unaffected, despite all the predictions of free market economists and the oft-repeated urgings of some sectors of the U.S. Government on balance of payments positions and financial holdings.

Even more important, it has become a symbol of the dramatic changes in the world's economic order. It was oil which most vividly illustrated the sudden lurch into resource scarcity and high commodity prices of 1973-74. It was the oil producers of OPEC who most imperiously showed the way to a new relationship between primary producers and the industrialised world: and it has been the success of the oil producers in holding their prices against all the odds over the last year which has seemed to demonstrate to the other raw material producers just how like the quantities it does. As long as Saudi Arabia has been prepared to act as the "swing producer," lowering its output when demand falls, it has not been necessary for OPEC to act as a cartel in the classic sense of consciously organising output so that it does not exceed demand—rule in any case carried out for them by the oil companies operating the normal commercial practice of adjusting their "liftings" to suit the refinery runs. Overall, surpluses of funds among producers may have been greatly reduced by higher expenditure and a drop in exports. Individually, countries like Algeria and Abu Dhabi may have faced difficulties. But so long as countries like Kuwait and Saudi Arabia have been able to accept lower sales, then the position has been tolerable.

As consumption rates have

cent

in the European nations.

During the first half of this year, as the economic recession has bitten more deeply, the figures show yet further declines of several per cent, and while there are signs that the fall is now bottoming out and that the last quarter of this year and the next year will see some rise again, it will not be until 1977 or 1978 at the earliest that consumption levels will return to their peak levels of the autumn of 1973.

Yet, unlike most other commodities, crude oil has not risen in price as a consequence. Surpluses in the market and competition on the garage forecourt have led to substantial price cutting at the pump and a fall in product prices in the free market of Germany and the marginal markets of Rotterdam and Italy. Individual producing countries with particularly high traditional price premia for freight or quality advantages have been forced to reduce their prices and extend credit terms in order to hold their position. There have been spot cargoes at reduced prices emerging in the Gulf through "a cousin of the cousin of the ruler's nephew." But the fundamental base price on which all others are set—the posted and marketed price of Saudi Arabian oil—has remained unaffected, despite all the predictions of free market economists and the oft-repeated urgings of some sectors of the U.S. Government on balance of payments positions and financial holdings.

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abruptly Paris meeting between producers and consumers and the obvious intention of OPEC to turn their attention to seize the initiative with where they go next. While as a unilateral price increase, the group have survived the consumers themselves have undoubtedly suffered severely to long-term price arrangements from the earlier decline in the not only for oil but also for dollar parity and from the rate of inflation in the West, which has steadily eroded the real value of their dollar earnings.

Faced with an apparent lack of response from the consumers

last winter to their pleas for a negotiated solution to oil pricing which would keep prices from moving up with the rate of inflation, the last OPEC meeting saw the consumers determined both to revise the oil members of the Third World, prices and to impose price increases this autumn to recoup some of the effects of past inflation.

At the same time, the consumers themselves have had to face the fact that oil prices, because of the peculiar structure of the industry and the will impose at its next meeting strength of OPEC, were most unlikely to fall into a free rest of the raw material producers situation where price during world waits to see what reductions automatically will emerge from the autumn surplus supplies. Following the still not swung back into the

producers' favour to the extent that more radical countries would hardly help it along.

Perhaps most important of all the producers have learnt more about their interdependence with the West. The consumers may not be able to break OPEC and they may have to accept that OPEC oil will be a primary source of their energy for a long time to come, particularly in view of the failures of U.S. energy policy. But equally the producers cannot work in isolation from the economic whirlwind which they themselves have helped to sow. Production is still well below potential producing capacity and the constant fear of the producers must now be that any dramatic move on oil prices could easily rip in the bud the forecast economic revival and improved demand for oil.

Tolerable increase

It now seems unlikely therefore that OPEC will impose anything like the \$3 or more per barrel increase which some had been predicting a few months ago. The producers may well impose some kind of increase, possibly around \$1.

Stockbuilding is certainly going on, but the latest estimates suggest that it is at a rate of around 2.5m barrels per day which is no more than normal at this time of year. Marginal prices of products at Rotterdam have risen by as much as \$10 a ton in the first weeks of this month. While this has been enough to make some products attractive to deal in, it has to be set against the depressed levels of July and August.

It is against this background that the international conferences during the next month or two must be set. In one sense they represent as the more radical members of the developing world have suggested, the beginning of a genuine change in the balance of power between the producers of raw materials and the manufacturing countries which have long held predominance. Yet they also represent a situation in which all the cards are not held on the producer side.

As long as this is so, it is easy to understand why a dialogue should and could get off the ground. But it is much more difficult to see where it will get to as the fundamental problems of price indexation reform of monetary institutions and commodity agreements are tackled. If the power was all on the producer side, then price indexation would seem a modern demand but there would be no need for a dialogue to the producers to get what they wanted. If the power was all on the consumer side, there would be no need at all for the consumer side to establish commissions to study the various aspects of the dialogue, and a sharing.

Removing the sting

Added to this, the atmosphere surrounding producer-consumer relations has altered considerably within the last few months. The rise in the value of the dollar on the world markets has taken a good deal of the sting out of that problem. The prospects for an interim settlement between Egypt and Israel are looking relatively good. There has been good progress in the preliminary, bilateral moves towards a dialogue this autumn, beginning with a meeting of the ten participants of the Paris conference in mid-October and going on to a full session of 27 countries to establish commissions to study the various aspects of the dialogue, and a sharing.

JOHNSON GROUP CLEANERS LIMITED

HALF-YEAR PROFITS 1975

	Unaudited results for the 26 weeks ended June, 1975	June, 1974
Turnover, net of VAT	£7,341,000	£6,041,000
Profit from Trading activities	560,823	487,931
Non-trading properties	182,938	163,119
Total trading profit	754,761	651,050
Sundry income	9,032	15,888
Less interest payable	66,767	32,451
Profit before taxation	697,996	634,487
Taxation	362,450	329,930
Profit after taxation	334,546	304,557
Extraordinary items	87,813	23,371
	422,359	327,928
Dividends	147,507	138,164
Retained profits for the 26 weeks	£274,882	£188,764
Earnings per Ordinary Share	24.9p	22.5p

The Directors have decided to pay an interim dividend of 6.352 per cent gross (being 1.0322p per share with a related tax credit of 0.5558p per share) on 1st October, 1975, against the equivalent of 5.775 per cent gross (0.9673p per share) for 1974, an effective increase of 10%.

Profits (up 10% before tax) have not increased in the same proportion as turnover (up 20%). In part this is caused by higher interest charges. In the main, however, it reflects the difficulties of a situation in which labour and other costs continue to escalate whilst we are subject to a system of price control. This specifies that a proportion of cost increases cannot be recovered by price increases to customers. Every effort is being made to overcome this problem, but while it exists it is exceptionally difficult to make a forecast for the year.

Observer

MEN AND MATTERS

Brigay fray

Garment maker Brigay Group should produce a little late, its 1974 results to-day. The shares are 4p. Jack Shane, founder but fired from the company two years ago, thinks that shareholders ought to back him for a second career with the company to revive it "provided the deterioration has not gone too far."

In these circumstances, the outsider has to ask once again whether the external parties to the Proatoria agreement are prepared to exert much greater pressure on their respective clients than they have done so far. Both South Africa and the Black States seem to want a Rhodesian settlement as earnestly as before: indeed Zambia, whose major lifeline to the sea has only this week been cut as a result of the fighting between the Angolan liberation movements has more than ever need for a settlement which could allow it to use the Rhodesian rail link, cut since 1973. But on present indications neither South Africa nor the Black States have yet decided to employ the ultimate sanctions.

Angola, where a civil war is raging, provides a warning of what might ultimately happen in Rhodesia were efforts to get the two sides to negotiate to fail. Although in some respects Angola makes a settlement harder to achieve (the right-wing Whites in both Rhodesia and South Africa have been quick to point out the perils of Black rule), the one slender hope is, against all the odds, that the Black and White delegations assembling at the Zambezi this weekend will realise the overriding necessity of a peaceful solution in Rhodesia, partly because two of

them are confident now. As a letter from William Stern's Wilstar Securities to Brandts in November, 1973, makes clear, Basil Glass, keeping things in ferment, results for Brigay for 1974 are finally due out today: the first half pre-tax profit fell from £60,000 to £20,000, though the latter did not include terminal losses at the closed Luton factory.

Shane's associate Landau is father to another accountant whom Shane took with him into Brigay. Martin Landau originally was anti-Shane, but later, Shane likes to think, realised he'd been tricked, realigned with Glass, and resigned from Brigay earlier this year. Whatever the others are alike in the stir created by compensation demands, Glass at 64, picked up £188,610 for leaving the Vantona chairman. Four years or so younger at the time, Shane claimed £65,000 on his dismissal, finally obtaining £20,000 this year. Will he give it back if he returns to Brigay? "I don't feel any obligation there," he says.

Shane trained as an accountant and apart from Brigay dabbed in an insurance business called Finance for Trade (co-directors included Jack Dellal, better-known for Dalton Barton Securities and later bankers Keyser Ullmann), sold finally to a brother of Selim Zilkha of Mothercare.

Vantona began buying shares in Brigay in 1970, and Pilkington and management accountant Julian Richardson joined the Board. Shane thinks Vantona misunderstood what Brigay did in its factories in Wales, Leicester and Luton. In any event, his colleagues voted him out and Shane says he has spent the intervening time on "other interests"—for instance, as adviser to an "international textile group." I'd rather not name them."

He is severely critical of Pilkington, wondering how he severed its connection with the fray: "I reckon we've driven him on holiday," said one participant.

In the on hand, therefore, Crest is cravvng the Panel's indulgence regarding its capital reconstruction but at the same time ignoring the Panel's wishes and not postponing the disposal of 5 per cent of its stake to the new Glazer becoming a major shareholder.

On the other hand, the sale of the one-third interest in the Sheraton Hotel in Perth has caused further provisions of film. In each case the UDT involvement was an attempted salvage operation with equity being acquired in exchange for advances which had not been repaid, but UDT's own little life-diminutive Topview. The conditions which developed.

Panel's chairman is away from

By Peter J. Williams

Observer

Credit cards are costing more to use: Access has raised interest rates and Diners Club its initial subscription fee. Arthur Sandles reports

Why the credit cards need the cash

CREDIT CARDS. once the credit limit. All accounts should be settled on demand in full. society, are in difficulties. Over the past few weeks there has been a proliferation of distress signals from what was once one of the most attractive corners of the banking business. One major brand name, Eurocard, the Stockholm-based group, is withdrawing from the British market—for technical reasons—and is handing over its business to Access. Access itself, the brand name of the Joint Credit Card Company, has increased its interest rates to cardholders from 1.5 per cent. to 2 per cent. a month; and Diners Club of Great Britain has raised its subscription levels for new members from £5 to £7.50.

Although all the cards, Eurocard excepted, are still canvassing for members, some of the frenetic marketing enthusiasm of two years ago has gone. The plain fact is that the card companies are short of cash, and some of them are taking avoidable action even though it might drive away business which, anyway, is a little sluggish. All of this is a long haul from the days when credit cards were greeted as a licence to print IOUs and regarded as yet another way for the banks to siphon off more of their customers' resources.

Difference

The problems seem to be afflicting both the "travel" card—American Express and Diners Club are the prime examples—and the "bank" cards, Access and Barclaycard. There is an essential difference between the two. The "travel" cards (so called because their basic appeal is to the affluent jet-setter) require an annual subscription for membership and have no theoretical upper

limit. All accounts should be settled on demand in full. These are because people are proving much more adept at using their cards than many observers and politicians expected when the first few Barclaycards came on to the British scene in 1966. In that year alone 1m. new cards were issued, and it was confidently predicted that they would prove to be the ruination of the spending classes.

Settlement

The bank cards rely on interest for their profits, and thus the more they can encourage the cardholder to spend and not repay, the better they like it. As the economy has sagged, so the average consumer, instead of extending his credit, has in fact contracted his commitments. Both Access and Barclaycard see a growing eagerness on the part of cardholders to settle accounts as rapidly as possible. This dissatisfaction (as far as the card companies are concerned) process was given added impetus by the Government action in stepping up the compulsory repayment schedule.

Barclaycard has seen its customers' average repayment slip from six or seven months in 1973 to a present three or four months. This brings the borrowing period to within dangerous proximity of the nil-interest period. Credit card holders are given 25 days at least between purchase and payment for repayment, and because accounts are sent out monthly, it is possible with careful planning of expenditure, to extend that to 56 days. Even this assumes that the retail outlet is prompt in getting the paper off to the card company.

But that is a mere cloud on the credit card horizon. For the moment the companies have much bigger worries. Basically



who makes a series of small purchases—petrol, a shirt, a rail by National Westminster, its interest rate to 1.75% a month for example, or charge account in full. The company will have had to handle the administrative work for very little commission and yet will get no interest on its money.

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COMPANY NEWS + COMMENT

Overseas subsidiaries bolster Rentokil

REFLECTING A 40 per cent increase in profits of the overseas subsidiaries first half 1975 pre-tax profit of Rentokil Group increased from £2.89m. to £2.93m. And the directors expect the year's profit to exceed the £3.55m. for 1974.

The directors expect UK profits for the rest of the year to be at least equal to the £1.76m. of the first half, while prospects for the second half overseas are good.

As before, the interim dividend is 7.7p net per 10p share. Last year's total was 1.85p.

Profit exclude extraordinary credits of £1.05m. due to exchange surcharges on fixed and intangible assets overseas and an increase in the market value of quoted investments in the year to June 30, 1974, exclude extraordinary charges of £2.10m.

Most UK operating divisions performed extremely well in the face of adverse trading conditions but there were two significant exceptions.

The damp-proofing division continued to suffer from the reduced availability of home improvement grants that has affected its turnover and profits since July 1974.

Rockwool, mineral wool, the insulation division, was severely hampered by government legislation appropriate to less reliable products. It is expected that these restrictions will soon be relaxed in respect of Rockwool, says the chairman Mr. P. L. Burdin.

Profits for the second half-year in the UK will be affected by increased costs.

• comment

Rentokil's advance of 2 per cent rests heavily on the overseas division where profits moved ahead by 40 per cent, but this is flattened by exchange rate movements which account for 20 to 25 points of that advance. Other divisions, like profit, will include the first-time contribution from the US, retributions to the overseas figures, while UK profits are depressed by about £50,000 of interest on the loans raised for those acquisitions. Even so, the home division has gone lame as domestic sales have fallen from restricted local authority improvements grants, and cavity insulation is hit by a clamp down of controls. Pest control is still moving ahead, and there are hopes that the Government will relax the position on cavity wall insulation in time to save the bus insulation in the UK, which movement over the first half of the year, is expected while the overseas contribution hinges to a fair degree on exchange rate movements. At 37p, on a prospective p/e of around 12x per cent (doubling interim profits) the market capitalisation of £58m. already has its eye on the long-term growth prospects for Rentokil.

UGI chief warns of redundancies

Mr. Hugh Nicholson, chairman of United Gas Industries, which makes meters and heaters, said yesterday that the Government's 12-week pay maximum was inflationary in the steel industry.

He told shareholders at the annual meeting: "In your own company, it is a week for the 4,000 people employed comes to almost £1,300,000 a year." This is in excess of the profit made even before interest.

He warned that to avoid loss,

the company would have either to raise prices, in itself inflationary," reduce the number of employees.

"The last thing we want to do is to reduce the number of employees, but this is to some extent unavoidable."

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No profit	1.62	1.62	Woodhouse & Rixon	16	2
Dividend	483	483	Needlers	18	2
Retained	3,867	967			

Profit exclude extraordinary credits of £1.05m. due to exchange surcharges on fixed and intangible assets overseas and an increase in the market value of quoted investments in the year to June 30, 1974, exclude extraordinary charges of £2.10m.

Most UK operating divisions performed extremely well in the face of adverse trading conditions but there were two significant exceptions.

The damp-proofing division continued to suffer from the reduced availability of home improvement grants that has affected its turnover and profits since July 1974.

Rockwool, mineral wool, the insulation division, was severely hampered by government legislation appropriate to less reliable products. It is expected that these restrictions will soon be relaxed in respect of Rockwool, says the chairman Mr. P. L. Burdin.

Profits for the second half-year in the UK will be affected by increased costs.

• comment

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"The last thing we want to do is to reduce the number of employees, but this is to some extent unavoidable."

The issue has been under-

reviewed.

Woodhouse & Rixon expansion

TURNOVER OF formasters, etc., Woodhouse & Rixon expanded from £1m. to £4.18m. in the half year to June 28, 1974, pre-tax profit increased from £20,000 to £5.7m. The figure for the year to June 30, 1974, was £1.7m.

Mr. G. S. Baker, chairman, says "all subsidiaries contributed to first half result with the foreign companies being particularly profitable.

Although there has been a reduction in order intake for some of our products demand for most products has remained at a satisfactory level, and together with good order books should ensure a continued high level of activity.

A one-for-one rights issue at par per 12.5p share to raise £683,000 is announced, payable in full on October 12, 1974, not later than December 12.

In pursuance of the policy of internal growth and carefully selected compatible acquisitions to strengthen the company's position, it is planned to modernise the plant and expand existing facilities. The company is also in the early stages of negotiations for the acquisition of a business in the UK and the EEC countries. Other acquisitions are being actively considered.

If any of the negotiations are successful the proceeds of the issue will be utilised.

Following the issue the capital will exceed £1m. giving trustee status.

Atlantic Assets cuts dividend

REVENUE, before tax, of Atlantic Assets Trust amounted to £35.000 for the year to June 30, 1975, compared with £36.000 for the previous year, and the dividend halved to 0.4p net per 25p share.

The directors point out that earnings for the year are not comparable with the previous year owing to the loss of dividend from Edward Bates and Sons Holdings and the acquisition of Bates' shares in the company. In the circumstances they consider it prudent that the dividend should reflect the earnings position for the year.

comment

Pentos first-half pre-tax gain is reduced to 3 per cent, if the Great full net contribution from Wright Blidley and Gell after deduction of the dividend.

The directors point out that the earnings from the new cash flow projections for the remainder of the year show a further significant reduction in borrowings, the directors state.

During the half year the company was particularly successful in sales through new retail outlets, including green grocers.

The recession in the construction industry has deepened and the system buildings operations have been running at lower output levels, although the cost reductions resulting from the recent reorganisation have minimised the impact on profits, says Mr. Blidley.

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Distillers

Extracts from the statement by the Chairman, Sir Alex McDonald, circulated with the Report and Accounts for the year ended 31st March, 1975

GENERAL OBSERVATIONS ON RESULTS

The trading profit for the year ended 31st March 1975 amounted to £79.8 million, a reduction of £9.3 million compared with the results of the previous year. Purchases by our customers in anticipation of the increase in export prices made in January 1974 transferred into the previous year a substantial volume of exports of both Scotch Whisky and Gin which would otherwise have taken place in the year under review. In other areas the year was a disappointing one. Profitability in the home market was restricted by rising costs, price control and the delays inherent in the procedures for obtaining price increases. The results of some of our other United Kingdom operations were adversely affected by difficult trading conditions, particularly in the cases of the Carbon Dioxide Company and the Peerless Refining Company. Elsewhere we had similar problems, especially in Australia, where our subsidiary Companies had to contend with swinging increases in duty and a high rate of cost inflation.

As will be seen from the Group profit and loss account, an increase of £4 million in interest charges contributed to the reduction in profits, so that after deducting taxation and minority shareholders' interests and adding our share of the results of United Glass the profit before Extraordinary items was £34.6 million or 9.5p. per share compared with £42.5 million and 11.7p. last year. A special supplementary contribution to the Group pension fund of £2.5 million is the main Extraordinary item. This is the additional sum after tax which we were advised by the consulting actuary was required at 31st March 1975 to fund the liabilities of the United Kingdom scheme. The shortfall arose from the effect of inflation upon pay levels since the fund was last valued three years ago. Unless inflation can quickly be brought under control it is very doubtful whether schemes providing pensions related to final salary will be able to continue in their present form.

The surplus attributable to the Company was £31.0 million. Your directors now recommend a final dividend of 3.3885p. per share. An interim of 2.0125p. per share has already been paid, making the total distribution for the year 5.381p. per share. Together with the associated tax credit the total distribution is equivalent to 8.18604p. per share compared with 7.44187p. per share last year.

The Group balance sheet shows that the value of stocks has increased by £69.4 million. A proportion of this figure is attributable to increased volume but the major part is a result of the high prices of raw materials and other greater manufacturing costs. As a result of the reduction in our distilling programme announced in December 1974 the increase in the value of stocks during the current year, although still substantial, will be somewhat lower. On the other hand, debtors at the year's end showed a relatively small increase but must be expected to rise sharply this year as a result of the massive additional burden of duty imposed by the Chancellor in his April Budget.

To fund part of the increased working capital required, available resources were augmented by a £25 million consortium bank loan repayable in 1979.

When changes in the purchasing power of the pound are taken into account, the Group profit before Extraordinary items was £32.9 million compared with £42.3 million for the previous year, equivalent to 9.1p. per share compared with 11.6p. Due to the very high level of inflation the net addition to equity interest during the year of £9.7 million wholly relates to the benefit derived from obtaining part of our financial requirements by way of long-term loans. The reduction in purchasing power of these loans by itself represented a gain of £19.1 million.

SCOTCH WHISKY

In the earlier part of the year the prices of cereals reached unprecedented levels and, although there has been some falling off in recent months, the increases in costs which have occurred over the years since our stocks of mature Scotch Whisky were laid down present us with a serious problem in making financial provision for their replacement. This particular consideration, coupled with limitations at that time upon the availability of additional long-term finance, was the major reason for our decision to reduce the production of new Whisky as from 1st January last to a level which was within our resources. Fortunately, in producing our existing stocks of maturing whiskies we had in the past made allowance for a number of contingencies which, in our present judgment, are unlikely to emerge and thus no restriction need currently be apprehended as regards the availability of our major brands.

For most of the year our blending and bottling plants faced a multiplicity of problems arising from bottle and material shortages, from disruption of distribution services during the transport drivers' strike and from a number of internal strikes. Cumulatively, these combined to create circumstances in which our blending and bottling companies were, on a number of occasions,

SUMMARY OF RESULTS for year ended 31st March

	1975 £'000	1974 £'000
Turnover	617,111	542,127
Group profit before tax	73,776	86,971
Profit after tax and minority interests	34,616	42,533
Extraordinary items	3,662	16,988
Surplus after extraordinary items	30,954	25,545
Dividends	19,542	18,421
Earnings per share	9.53p	11.71p
Dividends per share	5.38p	5.07p

In spite of the general recession in trade, world-wide sales of Group brands of Gin reached a record level.

VODKA

The growth in the sales of Cossack Vodka in the home market continued, although the market remained extremely competitive. In the United States Gordon's Vodka achieved further progress.

PIMM'S

The encouraging increase in the sales of Pimm's in the UK market which I reported last year was not maintained. The poor summer in 1974 undoubtedly had an inhibiting effect. Nevertheless, the prospects for Pimm's remain bright.

COGNAC HINE

In common with most Cognac houses, Hine experienced a difficult year in terms of over-all sales and profits.

The company emerged from the year well equipped to support increased sales in the future while, at the same time, maintaining the high quality of its brands.

AUSTRALIA

The results of the United Distillers Pty. Ltd. suffered a severe setback due to the difficult economic situation in Australia and in particular the further sharp increase in duty imposed in July 1974. This led to a serious fall in sales of the Company's products and to a substantial loss on trading.

Tolley, Scott & Tolley Ltd. also had a difficult year, during which sales of their Australian brandy were much affected by the steep rise in the rate of duty.

FOOD GROUP

The Yeast and Food Division had a successful year with increased turnover and a further improvement in profitability. The sale of food products to the catering and bakery trades continued to expand and the return upon capital employed was satisfactory. Sales of Bakers and Distillers' Yeasts in the United Kingdom were maintained but exports of Active Dried Yeast were reduced in the second half of the year.

The Peerless Refining Company had a difficult year. The subsidy on butter caused a reduction in the demand for margarine and exceptionally high prices for oils and fats lowered consumption for manufacturing purposes. As a result, sales and profits were considerably reduced.

CARBON DIOXIDE

The results of our Carbon Dioxide operations were seriously affected by the general economic climate. Costs escalated sharply to an extent which substantially outweighed the increases in price which could be obtained. At the same time, growth was restricted and sales in terms of volume showed only a very small increase on the previous year's level. As a consequence, profits were much reduced.

UNITED GLASS LIMITED

The consolidated profit of United Glass in the calendar year 1974 was £5,510,000 before taxation compared with £5,625,000 in the previous year.

Lost production caused by disruptive disputes in those industries which provide the divisions with essential supplies and services made it impossible to meet all customers' requirements. However, each division either maintained or exceeded previous production levels and this reflected the growing benefits of the planned investment programme of recent years.

It seems clear from the experience of the early months of 1975 that a quite dramatic collapse in demand for glass containers of all types has occurred. This is producing somewhat different problems for the management in the current year but the Company remains soundly based to take advantage of market opportunities.

PERSONNEL

Our personnel again demonstrated their ability to cope with the adverse conditions in which business was conducted last year. Their achievements in the circumstances deserve our appreciation and thanks.

FUTURE PROSPECTS

The demand for Scotch Whisky in export markets, so strong over past years, has shown particular weakness in the USA since last Christmas. In many other parts of the world consumption remains encouraging and the prospect for sales reasonable. As regards profitability it is hardly possible to comment usefully on the future at a time when our Government is making further attempts to contain inflation. Our future is very much dependent upon the outcome of these efforts.

The Ninety-eighth Annual General Meeting of The Distillers Company Limited will be held at the North British Hotel, Edinburgh, on Thursday, the 18th day of September, 1975, at 12.15 p.m.

The
Distillers (DCL)
Company Limited

INTERNATIONAL COMPANY NEWS + EURO MARKETS

BAT Brazilian affiliate gets \$38m. loan

By SUE BRANFORD

THE MINISTER of Planning, Sr. Joao Paulo Dos Reis Veloso, will be present to-day at the signing of the contract for the largest loan that the government-owned BNDE (National Economic Development Bank) has ever made to a private company. The \$38m. loan is going to Aracruz Celulose, an afforestation company in which British American Tobacco, through its Brazilian subsidiary, Souza Cruz, has a 21.7 per cent holding. The loan will be used by Aracruz to help finance a large pulp factory which will eventually have an annual production of 400,000 metric tons of bleached kraft pulp.

Aracruz already has a large afforestation project with 100,000 acres already planted with eucalyptus trees, and with plans to plant another 72,000 acres.

One reason for the Government loan is to make sure that the project is not delayed. Kuwait Trade Corporation is planning a \$40m. investment in the company, but the negotiations have been proceeding very slowly. It is not believed that the Government loan will close in the near future, as the two parties are participating in the project.

SAO PAULO, August 21.

More moves in Cyclone battle

By JAMES FORTH

THE TRADE PRACTICES Commission, which has already reduce competition—but can be holding and making its task more blocked one takeover bid for ordered to divest itself and face difficult. Boral appealed to the TPC to withdraw its request to stop market purchases and to ask the TPC to step in after Boral's request comes on the eve of a special meeting by Cyclone to make its second offer and then the TPC refused.

In a further development late tonight Boral directors sent two telegrams to Cyclone's home stock exchange in Melbourne, advising the Cyclone had breached. Exchange listed requirements and requesting the Exchange to cancel tomorrow's meeting. Boral said that the number of shares to be issued by Cyclone exceeded more than 10 per cent. of market capitalisation, and pointed out that some directors of Cyclone Double Gripp, who would receive Cyclone shares, were also Cyclone directors.

Cyclone plans to buy the 28.3 per cent interest in Cyclone Double Gripp Scaffolding Pty. Boral bid even though it had Steel Scaffolding. If Cyclone can obtain approval not applied for a clearance. A company need not apply if it will increase its capital by 7.6

SYDNEY, August 21.

No reconstruction for Oyama

TOKYO, August 21.

OYAMA SHIPPING is being Asian shipping routes just before the volume of trade on a member of any major following a decision by the those routes slumped sharply. Tokyo district court not to allow the company then became involved in a rate-cutting battle with the firm to attempt a reconstruction under legal protection from creditors.

Officials listed the company's liabilities as about Y17.2bn. The severe port congestion in the Middle East has not been determined.

Oyama's bankruptcy is attributed mainly to overinvestment in vessels and facilities, aimed company's revenue even more. Main bankers in Japan are AP/DJ

G.M. FIRTH (Metals) Limited
STEEL STOCKISTS AND MERCHANTS

Mr. G. M. Leadbeater reports

The latter part of the year under review saw the beginning of the most difficult period the steel industry has known since the early 1930's, however we still managed to achieve the second highest profits, before tax, in our history. Your directors are proposing a final dividend of 3p per share raising the total for the year to 5p which equals the net dividend paid last year.

Despite economic and political uncertainties, we refused to be deflected from our longer term aims, in the belief that those companies which are able to continue to invest prudently when conditions are difficult will show above average growth in the future. We have now completed our current capital expenditure programme at a total cost in excess of £1.5 million (during the last two years) financed entirely from our own resources.

The group has a network of depots (Bradford, Glasgow, Liverpool and Teesside), equipped with modern machinery, which are capable of handling its growth in the Midlands and North. A sales office has recently been opened in Birmingham. From this strong

base we can now plan our extension into South West and South East England and the industrial belt of South Wales. This development plan for our stockholding division led us to the conclusion that capital invested in our H.E.T. (Steel) Scrap subsidiary would be better realised and re-deployed elsewhere. H.E.T. (Steel) was becoming too much affected by governments and policies around the world, which precluded us from planning a normal investment programme and growth. This led the board to decide to discontinue the existing business of H.E.T. (Steel).

World-wide recession in all steel consuming industries continued and there appears to be no significant recovery prospect this side of December 1975. Steel selling prices, set by competitors less financially strong, are restricted mainly to Europe. They are tightly controlled, but the first half of the current year will invariably show a smaller profit than last year. Our confidence in our future growth is both positive and strong and we have the structure in place to benefit fully from any turn-around in the market.

Year to 31st March 1975 Year to 31st March 1974
£10,435,162 £7,435,278
£801,465 £903,544
£417,200 £498,092
£384,265 £405,452
14.4p 15.2p

Group turnover
Profit before taxation
Taxation (all deferred)
Profit after taxation
Earnings per 10p ordinary share

A copy of the report and accounts may be obtained from:
The Secretary, G.M. Firth (Metals) Limited, Wallis Street Works, Cemetery Road, Bradford, BD8 8RP. Telephone Bradford 491441 (STD code 0274)

HIL to accept HK\$150m. offer

By Philip Bowring

HONG KONG, August 21. ON THE ADVICE of merchant bankers Schindlers and Chartered, the Board of Hutchison International is to advise shareholders to accept the offer made by the Hongkong and Shanghai Bank two weeks ago by which the bank would subscribe to an issue of 150m. new shares at HK\$1 (par value), and appoint a new chief executive and two other Board members.

An extra-ordinary general meeting of HIL will be called for August 4 at which the Board will propose accepting the offer and permitting the required increase in issued capital.

Shareholders are promised a statement next Wednesday listing "all of the relevant details". Unless

these include all of the relevant financial details about the company's position, so long

denied to shareholders, the meeting could be stormy. Shareholders may need little convincing that Schindlers and Chartered are right in concluding that there is no other viable solution at this juncture in HIL's problems. But they will need to be convinced that the offer from the bank is equitable and that Wardlaw, the merchant banking arm of the Hongkong Bank, had no alternative but to pull out of the rights issue by which private financiers were to have been put in order.

HIL directors will need to explain the facts and figures of the present predicament, and how the company got into it.

HIL shares were traded to

58.8p HK\$1—now less than

58 per cent. more than the

bank will pay for its shares

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H.K. Land buys Cannae holding

Financial Times Reporter

THE HONGKONG Land Company has purchased a substantial shareholding in Cannae, a company which is constructing a new office building in Jakarta in joint venture with Indonesian partners.

The Hongkong and Shanghai Banking Corporation is the major shareholder in Cannae, with other shareholders including the New Zealand Insurance Company. The project will be ready for occupancy by August 1978, and will cost approximately HK\$100m. The building is on schedule and when finished will be 15 storeys and will accommodate the Jakarta office of the Hongkong and Shanghai Bank.

The building is situated in the hub of Jakarta's commercial district, with Kuta to the north and Thamrin to the south.

On completion it will contain 16,000 square metres of office space, and will be among the most modern buildings in the city.

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Notes:
(1) The cost of the interim dividend paid on 26th March 1975 was reduced by £27,249 as a result of elections by shareholders to receive, in lieu, the capitalisation issue of shares.
(2) The earnings per share for the previous year have been recalculated to take account of the above capitalisation issue.

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Year to 31st March 1975 Year to 31st March 1974
£10,435,162 £7,435,278
£801,465 £903,544
£417,200 £498,092
£384,265 £405,452
14.4p 15.2p

A copy of the report and accounts may be obtained from:
The Secretary, G.M. Firth (Metals) Limited, Wallis Street Works, Cemetery Road, Bradford, BD8 8RP. Telephone Bradford 491441 (STD code 0274)

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FINANCIAL TIMES REPORT

Friday August 22 1975

SEA FREIGHT

The shipping industry is among the worst sufferers from the world trade recession. Unhappily, even on the most cheerful estimates the tonnage surplus is likely to persist for some time.

More ships than cargoes

THE ONLY chunk of light in the gloomy world shipping outlook in recent months has been the indication that the U.S. economy may have touched bottom, but the depth of depression in most industrialised countries means that recovery for the industry will inevitably be slow.

In the tanker market, which inevitably will affect a large part of the shipping spectrum, there are now fears that overcapacity will last until at least the end of the decade and it is only now being realised how damaging the mistakes of the past few years have been. And with cancellation penalties now nearly as high as the cost of accepting a vessel, conversion has become a popular way out.

So any analysis of the future dry cargo situation must take the tanker tonnage surplus firmly into account. A recent American report estimates that if all tankers on order at the

start of the year were cancelled, purpose vessels has taken on a it would still be 1985 before the new appeal.

amount of available tonnage equalled the projected demand figure of 245m. tons.

So with new tankers being laid up immediately they are completed and the transfer of a large part of the combined carrier tonnage to the dry bulk trades, the dry cargo market has also been severely punished by a strong downturn in world trade. It now seems that a large number of bulk carriers will be laid up in coming months.

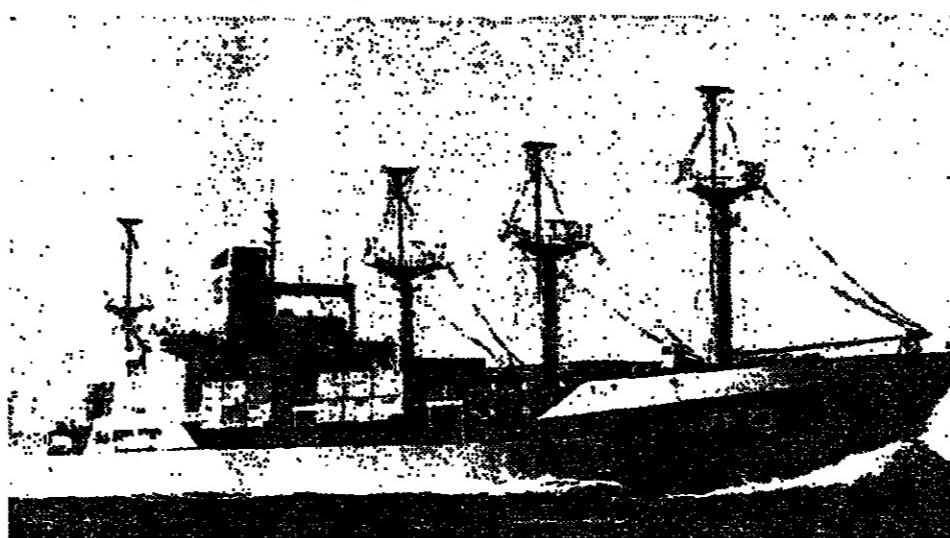
A great deal depends upon the final outcome of harvests in North America, Europe and the Soviet Union, which will determine the level of grain shipments. The recent U.S. decision temporarily to halt further sales to the Soviet Union because of progressively declining estimates of the size of its harvest has been yet another blow to the market, which has now become desperately competitive.

Oil carriers which have adopted a "clean for grain" policy have provided the dry cargo sector with excess freight space, with a consequent fall in overall charter rates and the end result that the conventional grain carriers have been squeezed mercilessly. Often they have been faced with the option of trading at a loss or not operating at all. As in other transport industries, this has inevitably caused a shake-out of older vessels and a reappraisal of tonnage on order, both in terms of cost and anticipated use. It appears that having learnt the lesson on the past 18 months, the flexibility of multi-

Lakes.

The sense of anticipation which built up in shipping circles in recent years over the opening of the Suez Canal has been considerably dampened by the conditions under which the opening finally took place, particularly in relation to crude oil shipments. Traffic through the canal is now running at about 25 ships a day compared to the hoped for total of 1,000 passages by the end of July, although this is expected to increase steadily in future.

The total number has comprised about 80 per cent. dry cargo vessels but the Egyptian authorities expect that loaded tankers will soon be responsible for 25-30 per cent. of income, ballasting cargo some 35-40 per cent. and general cargo tonnage about 35 per cent. With daily convoys now running north and south on alternate days, it is intended that daily convoys from both ends will begin soon, passing each other in the Bitter Lakes.



Artist's impression of Cammell Laird's new ship design "Staff 20" a standard fast freighter of 20,000 tonnes d.w.

The use of the waterway is been cautious about the opening Far East containerships too also likely to be considerably of the Canal, but there has been large for the Canal, but in the boosted if, as expected, surcharges for cargo insurance are uncertain political situation in adapt to the opportunities. reduced. This would be particularly welcomed in view of the area. It is notable that On the other hand, it is likely damage which has been caused by the Indian shipping companies have to affect trade patterns, as Indian authorities expect that loaded tankers will soon be responsible recently to vessels on the Cape which has been seen as a boost. That country's export trade is for Indian exports. It is estimated that sailing time to the petition from the industrialised countries will be cut by about 30 European countries particularly remains in shipbuilding, which per cent., to Black Sea ports by in the Gulf. Indeed the whole is believed to have suffered the 80 per cent., and to North question of trade with the Gulf worst slump since the 1930s. America by 15 per cent. The States is uppermost in the minds moving rapidly from a period of bunker costs are also substantially reduced. Overall, the advantages for world shipping are being exported to the Middle East and the considerable trans-

port problems being experienced being used to build small there have led to the introduction of bulkers just to remain active. of scheduled Ro-Ro services. That aside, financing of building to the Eastern Mediterranean, has come near to crisis point, particularly suitable for the with banks who have burned system due to the absence of their fingers badly in the recent tidal problems. Although this collapse now very unwilling to is fundamentally an inefficient become so deeply involved in operation due to waste of space, again.

It is likely to remain in favour. But this has not meant that until more sophisticated trans-ship prices have remained static. port systems are established. On the contrary, certain classes have risen in value to the extent that they have been sold at fourfold the price contracted before delivery. Financiers do

not believe that the dry cargo market is likely to recover more rapidly than any other sector of the Middle East, which have and cite a number of other interests which they believe will mainly with building the infra-structure of their economies, among them the further development of containerisation and the further

although this will certainly be nationalisation of fleets. They concentrated in the tankers sector also point to the fact that combination carriers account for in the past not been prominent in the international field, they do not lack experience and they will assist the dry cargo market equilibrium.

Perhaps the clearest picture they can be assured of bargain emerges when looking at the prices. At present, however, order figures for the three they have concentrated their months up till the end of July, activities on developing which show that out of a total advanced harbours and company of 183 orders for all classes. 83 are for bulk carriers over 20,000 tons deadweight, 76 are for general dry cargo vessels less than 20,000 tons, six for tankers over 100,000 tons and 19 for other tankers. Cancellations during the period include 17 tankers of 150,000 tons and above and 20 others.

Lorne Barling

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ScanDutch
Europe / Far East - Far East / Europe

The propeller that transport departments all over Europe and the Far East will recognize.

The propeller is unbeaten as a means of cargo transport between Europe and the Far East.

The red propeller. It's on our containers, our ships, our uniforms, our agents offices and on every single document you receive from ScanDutch.

Shippers and consignees all over Europe and the Far East know what it stands for. Not to mention port officials, railwaymen, and long-haul drivers.

Now why should ScanDutch bother to have a trade mark or even a name, for that matter?

Many organizations prefer to be without. Because a memorable trade mark also makes your mistakes easier to remember.

A name has to be kept spotless. And that's exactly why ScanDutch have chosen to operate under one name and one flag.

Send your best friends a red propeller. They know what it stands for.

Please ship our goods by	
<input type="checkbox"/>	ScanDutch ♡
<input type="checkbox"/>	ScanDutch ♡ vessel
m.s.	
Expected to leave your port on:	
Ship by	
ScanDutch	

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World wide carriers reliable, regular, on time.

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SEA FREIGHT II

Ports drive for efficiency

THE MAIN burst of investment than \$6m. tonnes. The facilities to modernise Britain's port comprise 124m. tonnes at deep-system has passed. In real terms sea container berths, 119m. capital spending is still declining tonnes at short-sea container from the peak hit in 1965, and berths, and 18.5m. tonnes at short-sea roll-on/roll-off berths. money is being increasingly concentrated on projects related to exploitation of North Sea oil.

But while the volume of new investment needed for dry cargo handling may have eased, the drive is still on to improve efficiency — and competition among the ports for future container traffic is fierce.

The transformation of freight handling facilities in Britain's ports over the past decade can be appreciated when it is realised that some 22 deep-sea container berths have been built, 50 short-sea container berths, and 76 roll-on/roll-off berths.

Probably more dramatic, and illustrating the productivity gains of new forms of cargo handling, is the drop in the labour force. Over the 10 years the number of registered dock workers was nearly halved to 34,600 and the total workers employed by port authorities fell from an estimated 64,000 to 38,000.

Forecasts

The National Ports Council, whose task it is to formulate and keep under review a national plan for the development of harbours in Britain, has produced forecasts of tonnages of cargo traffic up to 1980.

More significant, a second study—as yet unpublished—has just been completed which estimates the total amount of general cargo likely to be moving to and from this country up to that date, pinpointing the mode of transport and route and comparing this with an assessment of the capacity of existing approved berths.

The calculations show that the total unit load capacity at British ports amounts to 43.8m. Accordingly, although the tonnes compared with a development represented an throughput at present of more addition to the total deep-sea

Lavish

But it is important not to oversimplify the issues which arise, says Mr. Philip Chappell, chairman of the NPC. "In many countries, both in developed industrialised ones and sometimes even in less developed areas, the lavish provision of facilities for container and unit load traffic seems to be a matter of national pride. The Council would claim some proportion of the credit for the fact that such facilities in the UK, despite some excess of capacity, have a better utilisation than in most other countries."

The really essential point is the efficient service of the nation's trade, the demands of which do change. Mr. Chappell maintains. It was against this factor as well as total national capacity that the Council had viewed the application of the British Transport Docks Board in terms of value of cargo worth around £1bn. a year.

Terminals

When the new containerised service is fully operational it will take to Southampton an

ment it seeks.

Potential

This phase of the port's development will bring the total length of the new deep water container quays to a mile, and the associated back-up to 118 acres, excluding 24 acres leased to Freightliners for the Maritime Freightliner Terminal. Potential remains for at least a further 4,000 feet of deep water quays and about 160 acres of back-up.

The PLA has not been lagging in seeking its share of container trade, having invested more than £30m. in Tilbury over recent years to make it one of the principal cargo centres of Europe.

But the major uncertainty which hangs over the port is the future of plans for a massive new seaport at Milpum. The Government has already cancelled the project for the airport and there must be grave doubts whether the PLA will get the

Indeed, though British ports in the past have come in for

criticism for lack of action,

whatever the verdict, the criticism for lack of action,

in the very earliest the seaport might management is improving and

envisioned in 1982 which there is certainly no lack of

means that additional facilities enthusiasm to initiate projects

must be provided at Tilbury in the short term. The growth of

cantainer traffic at Tilbury has

been such that the docks will be

operating at full capacity within

the next two to three years.

PLA is confident that land could be reclaimed at Tilbury Fort and elsewhere on the river-side, for example, to provide new berths by 1978. Having lost the South Africa container trade, the port is anxious to win the New Zealand trade which is scheduled for containerisation at roughly the same time.

The fastest growing sector of Britain's non-fuel trade has been with the European Economic Community rising from 14.5m. tonnes in 1965 (16 per cent of the total) to 27m. tonnes in 1973 (24 per cent of the total).

The project to handle the additional trade involves the extension of the existing container quays by 950 feet, surfacing nearly 26 acres of further back-up land adjacent to the terminal used by Trio Lines' Far East traffic, ship design, port facilities and manpower against which to make decisions.

While it seems unlikely that there will be any immediate requirement for further berths if the danger of over-provision is to be avoided, I hope that this Southampton example illustrates that long-term planning for ports is certainly not an easy science, but, rather, a difficult art and it requires the closest co-operation not only from port authorities, but also from shipowners and shippers and, not least, industrialists."

Winning the South Africa

trade was a significant victory for Southampton which has achieved sturdy growth as a container port. So far Southampton has shared most of present South African trade in conventional cargo vessels on a roughly 50-50 basis, with Liverpool taking a minor part. The

pool taking the major part. The

pool taking the

Bargain hunting checks slide: off 1.57

BY OUR WALL STREET CORRESPONDENT

SCATTERED BARGAIN hunting 0.29 to 183.89. Golds 1.06 to 357.49. checked the recent slide on Wall Street to-day, but a larger than expected jump in the Cost of Living for Americans last month put a damper on Stock Market trading, and prices closed lower for the fourth consecutive session.

After rallying 4.77 to 786.03, the Dow Jones Industrial Average reacted to 791.69, for a net loss of 1.57. The NYSE All Common Index shed another 8 cents to \$44.22, after regaining 16 cents to \$44.46, while declines outpaced advances by 889 to 457. Trading volume decreased 2.03m. shares to 18.61m.

The Labor Department reported that the U.S. Consumer Price Index rose 1.2 per cent last month, or at an adjusted annual rate of 14.4 per cent.

White House Press Secretary, Ronald Nessen, said July's CPI rise was higher than anticipated and was another warning that vigilance was needed and excess Federal spending must be curbed if double digit inflation was to be avoided.

After the close, the NYSE reported the most interest point down 2.82% to 183.89, in the month ended August 15.

Bettwe-Packard tumbled 86% to 203, on sharply lower third quarter profits.

Wards gave way \$1 to 181\$ on the termination of merger talks with Kerr-McGee, down \$1 to \$83.

Hearily traded American Telephone finished unchanged at 549, following its plan to sell 12m. Common shares next October.

Eastman Kodak lost \$2 to 587.

But Moore, McCormack were lifted \$3 to 849, Union Carbide were up \$1 to 860, Digital Equipment 511 to 512, Motorola \$1 to \$4, and Pitman \$14 to 865.

Other industrial issues rose \$2 to \$34, on winning price increases for its coal in Japan, which will offset a proposed Australian tax.

Scott Foresman tacked on \$1 at \$13, on a "substantial gain" in July quarter net.

The American SE Market Value Index, which declined 0.31 to \$2.73, with declines outnumbering advances by 37 to 17.

Research Corp. were down \$1 to \$14, Loews Theater Warrants \$1 to \$51, U.S. Filter \$1 to 107, and Consolidated Oil and Gas \$1 to \$1.

Damson Oil edged up \$1 to \$4 after reporting a gas find in Woods County, Okla.

OTHER MARKETS

Canada down again

Canadian Stock Markets lost further ground in moderate trading yesterday.

The Industrial Share Index shed

Indices

NEW YORK

DOW JONES AVERAGES

Closes Home Trans. Indust. Corp. port. port. Total value 000s

Aug. 21 1978 153.39 191.99 16.18 16.810

1977 High 164.68 178.29 17.40 16.930

Low 167.75 176.00 17.36 16.930

Aug. 20 1978 153.18 182.72 16.18 16.810

1977 High 164.68 178.29 17.40 16.930

Low 167.75 176.00 17.36 16.930

Aug. 19 1978 153.31 181.70 17.47 16.810

1977 High 164.68 178.29 17.40 16.930

Low 167.75 176.00 17.36 16.930

Aug. 18 1978 153.31 181.70 17.47 16.810

1977 High 164.68 178.29 17.40 16.930

Low 167.75 176.00 17.36 16.930

Aug. 17 1978 153.31 181.70 17.47 16.810

1977 High 164.68 178.29 17.40 16.930

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1977 High 164.68 178.29 17.40 16.930

Low 167.75 176.00 17.36 16.930

Aug. 15 1978 153.31 181.70 17.47 16.810

1977 High 164.68 178.29 17.40 16.930

Low 167.75 176.00 17.36 16.930

Aug. 14 1978 153.31 181.70 17.47 16.810

1977 High 164.68 178.29 17.40 16.930

Low 167.75 176.00 17.36 16.930

Aug. 13 1978 153.31 181.70 17.47 16.810

1977 High 164.68 178.29 17.40 16.930

Low 167.75 176.00 17.36 16.930

Aug. 12 1978 153.31 181.70 17.47 16.810

1977 High 164.68 178.29 17.40 16.930

Low 167.75 176.00 17.36 16.930

Aug. 11 1978 153.31 181.70 17.47 16.810

1977 High 164.68 178.29 17.40 16.930

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Aug. 10 1978 153.31 181.70 17.47 16.810

1977 High 164.68 178.29 17.40 16.930

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Aug. 9 1978 153.31 181.70 17.47 16.810

1977 High 164.68 178.29 17.40 16.930

Low 167.75 176.00 17.36 16.930

Aug. 8 1978 153.31 181.70 17.47 16.810

1977 High 164.68 178.29 17.40 16.930

Low 167.75 176.00 17.36 16.930

Aug. 7 1978 153.31 181.70 17.47 16.810

1977 High 164.68 178.29 17.40 16.930

Low 167.75 176.00 17.36 16.930

Aug. 6 1978 153.31 181.70 17.47 16.810

1977 High 164.68 178.29 17.40 16.930

Low 167.75 176.00 17.36 16.930

Aug. 5 1978 153.31 181.70 17.47 16.810

1977 High 164.68 178.29 17.40 16.930

Low 167.75 176.00 17.36 16.930

Aug. 4 1978 153.31 181.70 17.47 16.810

1977 High 164.68 178.29 17.40 16.930

Low 167.75 176.00 17.36 16.930

Aug. 3 1978 153.31 181.70 17.47 16.810

1977 High 164.68 178.29 17.40 16.930

Low 167.75 176.00 17.36 16.930

Aug. 2 1978 153.31 181.70 17.47 16.810

1977 High 164.68 178.29 17.40 16.930

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Aug. 1 1978 153.31 181.70 17.47 16.810

1977 High 164.68 178.29 17.40 16.930

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Aug. 20 1978 153.31 181.70 17.47 16.810

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Aug. 19 1978 153.31 181.70 17.47 16.810

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Aug. 12 1978 153.31 181.70 17.47 16.810

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Low 167.75 176.00 17.36 16.930

Aug. 11 1978 153.31 181.70 17.47 16.810

1977 High 164.68 178.29 17.40 16.930

FARMING AND RAW MATERIALS

Union urges end of bull licensing

THE NATIONAL Farmers' Union has recommended that statutory bull licensing should end. But it has agreed to support any non-statutory scheme which might be introduced by breed societies or other competent organisations.

The union's decision sent to the Ministry of Agriculture for consideration, follows six months of deliberation and consultation by an eight-man working party.

It said that the present licensing system did not provide any improvement in the national breeding herd, but merely provided a limited animal health safety net. The cost was high and rejection rates were low.

Doubts had been expressed in some quarters on whether veterinarians were the best judges of commercial breeding merits and on whether there could be conflicts between veterinary inspectors and long-standing clients who applied for licences.

In view of the high level of breeding by artificial insemination—50 per cent of conception in the dairy herd and 40 per cent in the beef herd—bull licensing would appear to have a less significant role.

Copper sheds earlier gains

By Our Commodities Editor

COPPER PRICES lost ground on the London Metal Exchange yesterday, shedding some of the increases caused by Zambian supply fears. There was substantial profit-taking selling when the market opened on a higher note, and by the close cash wirebars was £2.28.

Much of the heavy turnover yesterday was thought to be influenced by book-squaring in front of the long holiday weekend in London and New York, with the LME opening for only the morning trading session today.

The fall in the value of sterling helped to stabilise the market and it is believed that some buying may have resulted from renewed fears of a declaration of force majeure by Zambia.

The World Bureau of Metal Statistics reported, meanwhile, that U.K. consumption of copper in June was 50,216 tonnes up on May but below the June 1974 figure of 56,563 tonnes. In the first six months of 1975, British copper consumption, at 305,815 tonnes, was 9.7 per cent. below that of the first half of last year.

U.K. zinc consumption in June was 22,203 tonnes, nearly 10,000 tonnes less than in June 1974, and was 24.5 per cent. down on the first six months at 138,641 tonnes.

Lead consumption in the first half of 1975, at 133,613 tonnes, was 15 per cent. below the equivalent period of 1974.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Lore closed above the day's low. After opening at \$24.44, reflecting the firming of forward metal met with heavy profit-taking and book squaring in front of the long weekend. The price slipped to \$24.05 before fresh speculative interest and short-covering were checked after a sharp fall in the close of the afternoon. Kerb. Turnover 1,000 tonnes.

ZINC—See-sawed before closing little changed on balance. The fresh decline in the Penang market over the week-end and the lower one-day average of 1.5 per cent. which met with little fresh buying interest. Renewed demand was seen at around the £16.50 level, and the price rallied to around £16.24 by the close of the afternoon. Kerb.

Most of it is expected to be of West European origin and the rest from Argentina, reports Reuter.

Mr. Bell said that the latest sales boosted estimated global purchases for shipment to the Soviet Union so far to about 16.5m. tonnes.

He estimated that, if Soviet purchases ran to the 25m. tonnes limit, some of the remaining 8.5m. tonnes still to be secured would come from new crop southern hemisphere supplies next spring. He acknowledged, however, that a good part of any additional Soviet buying would probably be made from U.S. stocks.

Agriculture Secretary, Mr. Earl Butz, said the embargo on further sales to the USSR would be maintained until the outcome of the first six months at 138,641 tonnes. Lead consumption in the first half of 1975, at 133,613 tonnes, was 15 per cent. below the equivalent period of 1974.

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STOCK EXCHANGE REPORT

Gilt-edged easier again, but equities make headway

Share index 3.8 up at 304.5 and 25.7 higher on the Account

Account Dealing Dates

Opinion
First Declara- Last Account Dealings Dealing Day Aug 11 Aug 20 Aug 21 Sep. 2 Aug 22 Sep. 4 Sep. 5 Sep. 16 Sep. 8 Sep. 18 Sep. 19 Sep. 30

"Now time" dealings may take place from 9.30 a.m. two business days earlier.

Equity markets closed the pre-holiday Account in firm fashion.

Gilts, on the other hand, continued to retreat against a background of growing fears of a further increase in U.S. interest rates.

Closing falls ranged to 1

and the Government Securities

index gave up 0.25 to 60.35.

The Prime Minister's anti-inflationary speech had little impact on sentiment in either gilts or equities.

The fresh overnight setback on Wall Street made for another day in the equity leaders.

But in the absence of selling demand, down 0.25, a slight improvement for the rest of the day, leaving final quotations a few pence better on balance.

Down 1.9 at 10.30 a.m., the FT 30-share index ended a net 3.8 higher at 304.5 for a rise of 25.7 over the Account. The Investment Index was 0.25 higher for a further gain of 6 to 239.3.

In response to the encouraging statement on second-half prospects, while London Brick also rose 6

to 54p on better-than-expected first-half figures.

Overall, it was another rather lifeless session and, unlike the last few seconds, issues failed to show much real trend. Price just had the edge over rises in FT quoted industrials. Official markings of 4.47 compared with 4.707 on Wednesday and 3.604 a week ago.

Gilts drift again

British Funds expressed mild disappointment with the lack of earnings.

ICI closed unchanged at 235p

expenditure cuts in Mr. Wilson's after narrow fluctuations. Else broadcast Wednesday evening and where in Chemicals, Rentokil immediately became more hardened to 57p in response to the interim statement. Also, money supply figures and their subsequent impact on interest a 1975 low of 110 following news rates there. The business was also made for caution in major international expansion projects.

The resulting price losses were in corporation, ranging to only 4 throughout the list Corporations too, drifted easier ahead of today's debut of the new Liverpool 13 per cent, 1981, loan 22 per cent, of which was left with the underwriters; an opening price of £ discount, or possibly as much as £ discount, was thought likely.

A well balanced and steady trade in investment currency made no great impact on the premium which, after minor fluctuations either way, closed 1

down on the day at 95 1/2 per cent. Yesterday's SE conversion factor was 0.6314 (0.6239).

London Brick good

Standing at 49p ahead of the interim statement, London Brick moved strongly ahead in active trading on the better-than-expected first-half profits to close 8 up at 54p, while the 14 per cent. Convertible Unsecured Loan Stock 1984 were raised 9 points to 122s.

Baggeridge Brick hardened 1 to 18p in sympathy. Other Buildings

were also moving ahead in the late trade. Istock Johnson improved 3 to 63p and Associated Portland Cement 4 to 142p, while Rawlings' modest gains of 10p better at 17s 1/2 despite the first-half loss.

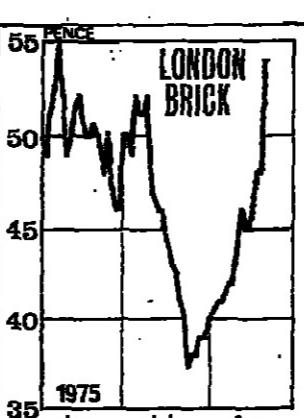
Elsewhere, however, were lower 7 to 20p on small selling in an unwilling market. Heywood Williams provided another late dull feature at 23p, down 4. on the reduced earnings.

ICI closed unchanged at 235p

of its Ordinary shares. Apart from Alton Harvey and Ross, which lost 19 of 200p, Discoun gained ground in places with Germany and National 7 to the good at 23p. Quietly firm Merchant banks had Goode Durrant and Murray a penny dearer at 17p despite the sharp contraction in half-year earnings. Schroders rose 26 to 305p in a restricted market.

With the exception of Scottish

and Newcastle, which hardened 11 to 49p on the chairman's encouraging AGM statement, Breweries were little changed after a small trade. Allied rallied from



for the sixth consecutive trading day. "Royals" gained ground in insurance firms, 4 to 54p, to 25p, with sentiment still helped by yesterday's satisfactory interim results. Sun Alliance, who reported 1974 year results on September 3, added 3 to 33p, while Commercial Union put on 4 to 143p.

Electrical leaders reversed an initially easier stance and generally finished firmer on balance after another thin trade. GEC

were finally 3 up at 121p, 116p, and 117p, after 28p, while BECC ended 4 better at 103p. However, EMI closed a penny down at 17p, after 174p, while Philips' Lamp, on lack of interest, slipped 11 to 67p. Elsewhere, Sater Electrical provided a small feature with a rise of 2 to 7p on the declaration of a dividend for the first time since 1964.

After a dull start, Stores staged

a modest recovery and closed little changed on the overnight level following the statement by British Home Stores 20c

to mark up 15p initially but, helped by bear closing, the fall of 6, while Marks and Spencer, both "Guzzles" "A", 165p, both closed a penny harder on balance at 18p.

The big four Banks adopted a mixed trend with Barclays 2

rising 1 more to 47p on the company's comments on the annual report. Needlers picked up a like amount at 14p on the first-half results. Against the trend, Associated Fisheries eased 2 to 20p; the interim results are

expected shortly.

Hotels and Caterers were better

where changed. Grand Metropoli finished 11 up at 63p,

while Ladbrokes, 142p, and J. Lyons "A", 132p, put on 4 and 5 respectively.

Norceros recede

Miscellaneous Industrial leaders

moved within fairly narrow limits during another small business but, another for choice. Metal

231, 131, 125p, and 125p,

managed gains of 5, 6, 6, and 5p.

Boots, 111p, and Turner and Newall, 101p, both ended 3 harder.

Glaxo were finally 2 up at 240p,

after 33p, but Rank Organisa-

tion "A" recorded a loss of 5 at 120p, while Bowater closed 2

easier at 145p. Elsewhere, the proposed 5% rights issue, after already affected Necton, which receded 5 to 51p, Pentos shed 2

to 40p on the half-time statement, while the chairman's statement at the annual meeting left United

Gas Industries a penny down at 15p. Mowz Containers declined 4 to 25p and Elber Industrial 5 to 105p.

Rank Engineering, 125p, and

other large results, lost 2 to 175p, after 176p. After a three-day gain of 2 to 185p, Copper shares showed total indifference to news that the Benguela Railway, which carries a major part of Zambia's metal exports to the west coast, had been closed to 105p.

Overseas Traders stayed close to overnight levels. Anglo-Thai managed to harden 2 to 102p, but Sims Darby closed that amount at 64p.

Most of the business on the

Shipping pitch was transacted in the last hour or so. Furness Wray

changed from 210p to 215p, while

Reckitts, 180p, making a three-day gain of 2 to 185p.

Trusts and Financials attracted

only a small business and closed

mixed. Press comment on the

results helped Graham firm 2 to 22p, while improvements of 4

were unaltered at 20p.

Richard Clay rose afresh fol-

lowing a good Press coverage of

the first-half upturn to close 7p

up at 35p. Among other Paper

Printings, John Wedgwood, now

one class of shares apart from the

New Ordinary issued as compensation to previous "A" share

holders rose 4 to 33p. Euston Pub found renewed support and

gained 4 to 36p, while Hartlepool

rose 1 to 34p. News items lifted Five

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FT SHARE INFORMATION SERVICE

ist Premium 58.4% (based on \$2.150)
Conversion factor 0.6314 (0.62339).

INDUSTRIALS—Continued

No.

Stock

Price

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Gross

PE

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Low

Stock

Price

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Friday August 22 1975

U.S. retail prices rise 1.2% in July

BY ADRIAN DICKS

WASHINGTON, August 21.

U.S. RETAIL prices leapt up by 1.2 per cent. during July, taking the annual rate of inflation for the month back across the psychological threshold of "double digits," and further complicating President Ford's task as he seeks to shape policy in the light of an increasingly firm economic recovery.

The July rise was the highest in one month since last September, contrasting with a 0.4 per cent. increase in retail prices in May and 0.8 per cent. in June.

The official figures from the Bureau of Labour Statistics showed that fully three-quarters of the increase was due to higher petrol prices and to partially unusual increases in meat, poultry, fruit and vegetable prices.

As a result, Mr. Sidney Jones, Assistant Treasury Secretary for economic policy, said the July performance was "not representative of what we have seen in inflation or what we are likely to see." Inflation remains a very serious problem, but the outlook for the future is not for double-digit inflation."

Simultaneously Mr. Earl Butz, the Agriculture Secretary, dismissed the 1.7 per cent. increase in the food index as a temporary phenomenon, although his department has also issued revised food price forecasts for the year which predict an overall increase of 6.8 per cent. against a range of 6.8 per cent. predicted previously.

Confirms

The July price increase coincides with a revised picture of gross national product performance during the second quarter, which confirms a number of predictions by private economists that the recovery in the economy has already gathered more strength than had been previously shown.

From a preliminary estimate of 0.3 per cent. decline in real GNP in the second quarter, the revised estimate now shows a 1.6 per cent. increase in real GNP at an annual rate. This compares strikingly with the steep 11.4 per cent. decline in real GNP during the first quarter of this year.

Europe grain for USSR—
report Page 23

Chase offers loans indexed to SDRs

BY GUY DE JONQUIERES

NEW YORK, August 21.

CHASE MANHATTAN BANK will start a new service next Monday offering dollar loans and time deposits indexed to Special Drawing Rights. It will also offer facilities for dealing in SDR futures contracts.

The scheme, the first of its kind to be launched by a major U.S. bank, is clearly designed to appeal particularly to both private and Government customers in Middle East oil producing countries like Iran and Saudi Arabia which have linked their currencies to SDRs.

The bank said that the service is intended to provide additional exchange rate security for such customers, whether as borrowers or lenders, as well as for Western companies doing business with them. To lesser extent, it may also be of interest in large multi-national concerns doing business in a number of major currencies represented in the SDR "basket".

Ironically, Chase's announcement today coincided with the publication of a report by an

U.K. TO-DAY

SUNNY spells, but also showers, especially in N.E. Scotland, Cool, London, E., S.E. Cent. N. and Cent. S. England, E. and W. Midlands, E. Anglia

Sunny spells, showers developing, dry later. Wind N.W. then W., light. Max. 19C (66F).

Isolated showers, sunny intervals, dry later. Wind N.W.

Channel Isles

Showers, sunny intervals, dry later. Wind N.W. then W., moderate. Max. 18C (64F).

S.W. England, N. and S. Wales, 1 of Man, N. Ireland

Isolated showers, sunny intervals, dry later. Wind N.W.

Business Centres

	Day	mid-day	Y'day	mid-day	Y'day
Aberdeen	F 20	85	Liverpool	S 27	85
Belfast	F 20	85	Birmingham	S 27	85
Brighton	F 20	85	Manchester	S 27	85
Cardiff	F 20	85	Montreal	S 27	85
Edinburgh	F 20	85	Montreal	S 27	85
Glasgow	F 20	85	Montreal	S 27	85
London	F 20	85	Montreal	S 27	85
Nottingham	F 20	85	Montreal	S 27	85
Sheffield	F 20	85	Montreal	S 27	85
Southampton	F 20	85	Montreal	S 27	85
Stoke-on-Trent	F 20	85	Montreal	S 27	85
Wales	F 20	85	Montreal	S 27	85
Warrington	F 20	85	Montreal	S 27	85
Worcester	F 20	85	Montreal	S 27	85
Wrexham	F 20	85	Montreal	S 27	85
Yarmouth	F 20	85	Montreal	S 27	85
Zurich	F 20	85	Montreal	S 27	85
Alaska	F 20	85	Montreal	S 27	85
Argentina	F 20	85	Montreal	S 27	85
Barbados	F 20	85	Montreal	S 27	85
Bolivia	F 20	85	Montreal	S 27	85
Bulgaria	F 20	85	Montreal	S 27	85
Cambodia	F 20	85	Montreal	S 27	85
China	F 20	85	Montreal	S 27	85
Colombia	F 20	85	Montreal	S 27	85
Costa Rica	F 20	85	Montreal	S 27	85
Croatia	F 20	85	Montreal	S 27	85
Cuba	F 20	85	Montreal	S 27	85
Cyprus	F 20	85	Montreal	S 27	85
Ecuador	F 20	85	Montreal	S 27	85
El Salvador	F 20	85	Montreal	S 27	85
Guatemala	F 20	85	Montreal	S 27	85
Honduras	F 20	85	Montreal	S 27	85
India	F 20	85	Montreal	S 27	85
Iceland	F 20	85	Montreal	S 27	85
Iran	F 20	85	Montreal	S 27	85
Iraq	F 20	85	Montreal	S 27	85
Jamaica	F 20	85	Montreal	S 27	85
Lebanon	F 20	85	Montreal	S 27	85
Malta	F 20	85	Montreal	S 27	85
Mexico	F 20	85	Montreal	S 27	85
Nicaragua	F 20	85	Montreal	S 27	85
Panama	F 20	85	Montreal	S 27	85
Peru	F 20	85	Montreal	S 27	85
Philippines	F 20	85	Montreal	S 27	85
Portugal	F 20	85	Montreal	S 27	85
Romania	F 20	85	Montreal	S 27	85
Uruguay	F 20	85	Montreal	S 27	85
Venezuela	F 20	85	Montreal	S 27	85
Yugoslavia	F 20	85	Montreal	S 27	85
Zambia	F 20	85	Montreal	S 27	85
Zimbabwe	F 20	85	Montreal	S 27	85
Algeria	F 20	85	Montreal	S 27	85
Angola	F 20	85	Montreal	S 27	85
Argentina	F 20	85	Montreal	S 27	85
Bolivia	F 20	85	Montreal	S 27	85
Burkina Faso	F 20	85	Montreal	S 27	85
Burundi	F 20	85	Montreal	S 27	85
Cameroon	F 20	85	Montreal	S 27	85
Chad	F 20	85	Montreal	S 27	85
Comoros	F 20	85	Montreal	S 27	85
Congo	F 20	85	Montreal	S 27	85
Djibouti	F 20	85	Montreal	S 27	85
Egypt	F 20	85	Montreal	S 27	85
Guinea	F 20	85	Montreal	S 27	85
Guinea-Bissau	F 20	85	Montreal	S 27	85
Ivory Coast	F 20	85	Montreal	S 27	85
Kenya	F 20	85	Montreal	S 27	85
Lesotho	F 20	85	Montreal	S 27	85
Madagascar	F 20	85	Montreal	S 27	85
Maldives	F 20	85	Montreal	S 27	85
Mali	F 20	85	Montreal	S 27	85
Mauritania	F 20	85	Montreal	S 27	85
Mauritius	F 20	85	Montreal	S 27	85
Morocco	F 20	85	Montreal	S 27	85
Mozambique	F 20	85	Montreal	S 27	85
Niger	F 20	85	Montreal	S 27	85
Nigeria	F 20	85	Montreal	S 27	85
Reunion	F 20	85	Montreal	S 27	85
Rwanda	F 20	85	Montreal	S 27	85
Saint Lucia	F 20	85	Montreal	S 27	85
Saint Vincent	F 20	85	Montreal	S 27	85
Seychelles	F 20	85	Montreal	S 27	85
Togo	F 20	85	Montreal	S 27	85
Tunisia	F 20	85	Montreal	S 27	85
Uganda	F 20	85	Montreal	S 27	85
Zaire	F 20	85	Montreal	S 27	85
Zambia	F 20	85	Montreal	S 27	85
Zimbabwe	F 20	85	Montreal	S 27	85
Algeria	F 20	85	Montreal	S 27	85
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